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Footwear
(Men's, Women's, Boys' and Girls')

FAIRCHILD FACT FILE

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E. B. Gold
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FOOTWEAR (MEN'S, WOMEN'S, BOYS' & GIRLS')

Market Trends

At mid-year 1985, domestic footwear manufacturers are mounting to what appears to be a last-ditch effort to get legislation through Congress (and passed by the White House) to stem the tide of footwear imports, which now account for over 70% of total U.S. footwear consumption. The current strategy involves joining forces with the domestic textile/apparel coalition, which now accounts for over 70% of total U.S. footwear consumption. The current strategy involves joining forces with the domestic textile/apparel coalition, which is also seeking new import restraint legislation. Meetings of interested parties to achieve this end are now underway. Other segments of the industry, including manufacturers with substantial production overseas, importers and large retailers, are continuing their efforts against controls.

The Department of Commerce has projected domestic footwear industry shipments in 1985 at 279 million pairs, about 3% less than 1984. This marks the eighth straight year in which footwear shipments have declined. The long-term outlook at the manufacturer level remains poor. A compound annual rate of decline of about 3% is projected up to 1989. Without drastic changes in the industry's cost-competitiveness, or controls, the import share will exceed 80% by 1986.

Based on data available for shoe stores, footwear business has been doing quite well so far this year. In the first six months, total shoe store sales were up 6.8%, compared with the same 1984 period. On a seasonally adjusted basis, shoe store sales advanced 4.9% from July 1984; but appeared to fall 2.4% below the June figures, according to preliminary data from the Department of Commerce.

Consumer interest in the athletic footwear area continues to focus to a greater extent on casual, leisure styles rather than specialized athletic footwear for active use. However, aerobic footwear and basketball shoes are expected to continue to gain in consumer demand. An oversupply of some shoe types is reported, as importers stock up in anticipation of quota restrictions.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

The U.S. Bureau of the Census compiles a complete census of U.S. manufactures every five years, and reports covering the 1982 census are now being released. Selected findings from available reports are included in this fact file. Between censuses, the Bureau compiles annual surveys among a representative sample of manufacturers to help provide a continuous series of key industry statistics. Results in the 1983 annual survey should be available from the census bureau later this year.

In addition, the International Trade Administration, (Department of Commerce), publishes an annual edition of the U.S. Industrial Outlook. This includes estimates on footwear industry trends, updating Census Bureau data. Information from this source will be found following the next table based on Census Bureau reports.

GENERAL INDUSTRY STATISTICS

The U.S. Manufacturing Industry By Type of Footwear, 1977, 1982

	1982	1977	% Change 1982/1977
NONRUBBER FOOTWEAR, TOTAL (SIC 314)			
Number of companies	na	541	--
Number of establishments#	752	811	- 7.3%
With 20 or more employees	537	603	- 10.9
All employees (thous.)	122.5	145.5	- 15.8
Production workers (thous.)	108.4	129.3	- 16.2
Payroll (mil. $)	$1,255.1	$1,031.5	+ 21.7
Value added by manufacture (mil. $)**	na	2,069.4	--
Value of industry shipments (mil. $)***	5,285.1	3,891.7	+ 35.8
Capital expenditures, new (mil. $)	63.6	37.1	+ 71.4
MEN'S FOOTWEAR, EXCEPT ATHLETIC (SIC 3143*)			
Number of companies	129	115	+ 12.2
Number of establishments#	203	213	- 4.7
With 20 or more employees	159	180	- 11.7
All employees (thous.)	46.5	55.0	- 15.5
Production workers (thous.)	40.7	49.2	- 17.3
Payroll (mil. $)	503.1	$ 417.0	+ 20.6
Value added by manufacture (mil. $)**	1,101.1	871.9	+ 26.3
Value of industry shipments (mil. $)***	2,261.4	1,734.5	+ 30.4
Capital expenditures, new (mil. $)	28.3	14.5	+ 95.2
WOMEN'S FOOTWEAR, EXCEPT ATHLETIC (SIC 3144*)			
Number of companies	209	243	- 14.0
Number of establishments#	293	328	- 10.7
With 20 or more employees	226	241	- 6.2
All employees (thous.)	48.4	57.6	- 16.0
Production workers (thous.)	43.4	51.3	- 15.4
Payroll (mil. $)	483.1	$ 388.6	+ 24.3
Value added by manufacture (mil. $)**	1,107.0	755.0	+ 46.6
Value of industry shipments (mil. $)***	1,933.2	1,361.2	+ 42.0
Capital expenditures, new (mil. $)	20.2	9.7	+108.2
HOUSE SLIPPERS (SIC 3142*)			
Number of companies	53	65	- 18.5
Number of establishments#	62	78	- 20.5
With 20 or more employees	44	55	- 20.0
All employees (thous.)	7.5	8.1	- 7.4
Production workers (thous.)	6.4	7.0	- 8.6
Payroll (mil. $)	71.3	$ 54.5	+ 30.8
Value added by manufacture (mil. $)**	149.7	108.8	+ 37.6
Value of industry shipments (mil. $)***	275.8	201.2	+ 37.1
Capital expenditures, new (mil. $)	3.1	2.3	+ 34.8

(continued)

GENERAL INDUSTRY STATISTICS

The U.S. Manufacturing Industry By Type of Footwear, 1977, 1982
(continued)

	1982	1977	% Change 1982/1977
FOOTWEAR, EXCEPT RUBBER, NOT ELSEWHERE CLASSIFIED (SIC 3149*)			
Number of companies	166	159	+ 4.4%
Number of establishments#	193	192	+ 0.5
With 20 or more employees	107	127	- 15.7
All employees (thous.)	19.1	24.8	- 23.0
Production workers (thous.)	16.8	21.8	- 22.9
Payroll (mil. $)	$ 192.7	$ 171.4	+ 12.4
Value added by manufacture (mil. $)**	450.9	333.7	+ 35.1
Value of industry shipments (mil. $)***	798.9	594.8	+ 34.3
Capital expenditures, new (mil. $)	14.0	10.6	+ 32.1
RUBBER & PLASTICS FOOTWEAR (SIC 3021*)			
Number of companies	53	67	- 20.9
Number of establishments#	65	84	- 22.6
With 20 or more employees	40	50	- 20.0
All employees (thous.)	17.6	19.8	- 11.1
Production workers (thous.)	15.0	16.4	- 8.5
Payroll (mil. $)	$ 196.5	$ 159.1	+ 23.5
Value added by manufacture (mil. $)**	360.1	272.3	+ 32.2
Value of industry shipments (mil. $)***	706.2	517.0	+ 36.6
Capital expenditures, new (mil. $)	12.4	11.3	+ 9.7
BOOT & SHOE CUT STOCK & FINDINGS (SIC 3131*)			
Number of companies	149	174	- 14.4
Number of establishments#	161	190	- 15.3
With 20 or more employees	80	96	- 16.7
All employees (thous.)	6.8	8.5	- 20.0
Production workers (thous.)	5.7	7.4	- 23.0
Payroll (mil. $)	$ 80.8	$ 65.3	+ 23.7
Value added by manufacture (mil. $)**	154.7	109.4	+ 41.4
Value of industry shipments (mil. $)***	367.8	270.6	+ 35.9
Capital expenditures, new (mil. $)	6.0	3.0	+100.0

na not available

\# Each business location is counted as a separate establishment.

* Manufacturers are classified by industry under the Standard Industrial Classification (SIC) System determined by the principal product manufactured, as shown below. (SIC 314 is a composite of industries in 3142, 3143, 3144).

SIC 3143 comprises establishments primarily engaged in the production of men's dress and casual shoes, boots and work shoes. Footwear produced in this industry is primarily of leather.

SIC 3144 comprises establishments primarily engaged in the production of women's dress and casual shoes, sandals and boots. Footwear produced in this industry is primarily of leather.

(Footnotes continued)

SIC 3142 comprises establishments primarily engaged in the production of house slippers made of leather or other materials. Slipper socks are included in this industry.

SIC 3149 comprises establishments primarily producing footwear not classified in the above industries or in SIC 3021 (rubber and plastic). Included in SIC 3149 are shoes for infants and babies, children, misses, youths and boys. Also included are all athletic shoes, theatrical shoes, and beach slippers.

SIC 3021 comprises establishments primarily engaged in manufacturing all-rubber and plastic footwear, waterproof fabric-upper footwear having rubber or plastic soles vulcanized to the uppers. There are two segments in this industry, (1) protective fabric upper footwear, such as athletic footwear, sneakers, sport oxfords and specialties designed for leisure wear.

SIC 3131 comprises establishments primarily engaged in manufacturing leather soles, inner soles, and other boot and shoe cut stock findings. This industry also includes finished wood heels. It does not include manufacturers of shoe findings made of rubber, plastic, or fiber.

** Value added by manufacture is derived by subtracting the cost of finished products, materials, supplies, fuel, contract work, etc., from the value of shipments (including resales of finished products) plus the net change in the value of finished products and work-in-process inventories between the beginning and end of the year, without adjustment for price changes.

*** Value of industry shipments represents the net selling values, f.o.b. plant, after discounts and allowances, and excluding freight charges and excise taxes. This value includes both products described as primary to the industry and secondary products, as well as miscellaneous receipts for contract work, resales, etc. Industry shipments should be clearly distinguished from the total value of footwear made by all producers (product shipments) which includes footwear made as a secondary product by manufacturers classified in other industries. Total product value is shown in the section on PRODUCT SHIPMENTS.

Source: U.S. Bureau of the Census,
Census of Manufactures, 1977, 1982,
(Industry Series MC82-1-30A, 31A).

Explanation of other terms used in this fact file:

Nonrubber footwear: Includes shoes, boots and slippers made by "conventional" processes, such as cemented, welted, slip-lasted, etc., and shoes with rubber sole vulcanized to leather uppers. (Footwear covered in SIC 314).

Rubber/plastic footwear: Footwear with rubber or plastic soles/fabric uppers and rubber or plastic protective footwear. (SIC 302).

GENERAL INDUSTRY STATISTICS

The U.S. footwear industry is composed primarily of privately owned companies. In 1982, two out of three producers made less than one million pairs annually and accounted for only about 15% of total production. Twenty-one producers, each with annual production in excess of four million pairs, accounted for 53% of the industry output. However, these large producers as a group have not increased their market share since 1980, and have responded to declining demand by closing plants and consolidating operations. The largest nonrubber footwear producer in 1983 captured only 7.5% of total domestic production.

According to the International Trade Commission (1985 U.S. Industrial Outlook), there were about 250 U.S. companies with 10 or more employees producing nonrubber footwear in 1983. The number of factories showed a net decline of 24 in 1983, to 547. Then in 1984 another 95 plants were closed, bringing the total at the end of the year to 452.

The number of plants producing rubber and plastic footwear (SIC 3021) was reported by the ITT at 65 (the same as in the 1983 Census of Manufactures).

Value of Industry Shipments, 1983-1985
(Millions of dollars)

	1983(e)	1984(e)	1985(p)	Percent Change 1983/82	1984/83	1985/84
Nonrubber footwear						
Industry shipments (current $)						
Total	5,250	4,643	--	- 0.5	- 11.6	--
Slippers	250	220	--	- 9.4	- 12.0	--
Men's footwear	2,306	2,154	--	+ 2.1	- 6.6	--
Women's footwear	1,908	1,557	--	- 1.6	- 18.4	--
Footwear n.e.c.	786	712	--	- 2.1	- 9.4	--
Industry shipments (1972 $)						
Total	2,532	2,178	2,112	- 2.3	- 14.0	- 3.0
Slippers	128	111	111	-10.5	- 13.3	--
Men's footwear	986	904	879	+ 1.3	- 8.3	- 2.8
Women's footwear	979	778	748	- 4.5	- 20.5	- 3.9
Footwear n.e.c.	439	385	374	- 2.7	- 12.3	- 2.9
Rubber/plastics footwear						
Industry shipments (current $)	708	705	--	+ 0.3	- 0.4	--
Industry shipments (1972 $)	419	415	410	+ 0.8	- 1.1	- 1.1

n.e.c. not elsewhere classified
(e) estimated
(p) projected

Source: International Trade Commission, 1985 U.S. Industrial Outlook.

GENERAL INDUSTRY STATISTICS

Employment & Earnings

Information on employment and earnings by industry in the U.S. is reported on a current basis by the Bureau of Labor Statistics, U.S. Department of Labor. The data differs somewhat from figures issued by the U.S. Census Bureau due to a difference in methodology followed in compiling the data.

BLS data confirms the steady decline in the U.S. footwear industry, which has accelerated in recent years. Preliminary reports for the month of May 1985 show total employment in the nonrubber footwear industry at 105,700 compared with 120,600 in the same month a year earlier, and 128,300 in May 1983.

In the men's nonrubber footwear segment, employment in May 1985 was down 12%; in women's, down 12.3% in May 1985, compared to a year earlier. Employment in the domestic rubber/plastics footwear industry, which had held up rather well in 1984, registered an 18.7% decline in May 1985, compared with May 1984, bringing the total to 14,300. This compared with the 1984 annual average of 16,500.

For the entire year 1984, nonrubber footwear industry employment averaged 7.9% below the 1983 average, with most of the decline occurring in the latter part of the year. In the fourth quarter of 1984, employment averaged about 12% below the level in the same 1983 period. Reversing the trend noted in recent years, the drop-off in employment in the nonrubber footwear industry last year was somewhat greater in the women's segment than in the men's at--(2.8% vs. -4.4%).

Labor costs have been cited as a prime factor in the inability of U.S. manufacturers of footwear to compete with imports. The large capital investment required to narrow the spread, especially in adopting robotics, etc., is beyond the reach of many small and medium-sized producers; meanwhile, hourly earnings have continued to rise.

In 1984, hourly earnings in the nonrubber footwear industry averaged $5.43--gaining 3.0% over the 1983 average of $5.27 and 6.1% higher than in 1982. In the men's footwear segment, hourly earnings averaged $5.71 last year, up 3.8% compared with 1983; in women's footwear, the 1984 average was $5.24, up 1.5%. In the rubber/plastics footwear industry, average hourly earnings were at $5.35 in 1984, up 3.7% over the 1983 average.

While average hourly earnings in the nonrubber footwear industry in 1984 were up 3% compared with 1983, average weekly hours dropped slightly (-0.3%), from 36.2 to 36.1. Productivity continued to decline. According to Footwear Industries of America, the industry association, nonrubber footwear production per production employee hour averaged 1.50 pairs in the last quarter of 1984, down from 1.80 pairs in the first quarter. In the first quarter of 1985, according to FIA, production per employee hour averaged 1.63 pairs, down 9.4% from the comparable 1984 period.

GENERAL INDUSTRY STATISTICS

Employment & Earnings (continued)

Employment & Earnings in the U.S. Footwear Industry
Annual Averages, 1982-1984

	Employment (thousands)					
	All Employees			Production Workers		
	1984	1983(r)	1982(r)	1984	1983(r)	1982(r)
Nonrubber footwear, total*	116.1	126.0	135.1	98.8	107.3	115.1
Men's exc. athletic	47.9	50.7	54.8	38.8	41.0	45.3
Women's, exc. athletic	43.5	47.9	51.4	38.2	42.5	44.8
Rubber/plastics footwear	16.5	16.7	18.7	14.1	14.1	16.2

	Production Worker Hours & Earnings					
	Average Weekly Hours			Average Weekly Earnings ($)		
	1984	1983(r)	1982(r)	1984	1983(r)	1982(r)
Nonrubber footwear, total*	36.1	36.2	35.1	196.02	190.77	179.71
Men's, exc. athletic	36.5	36.8	35.3	208.42	202.40	188.86
Women's, exc. athletic	35.7	35.9	34.8	187.07	185.24	174.35

(r) revised
* The total includes footwear not separately listed, such as infants', children's, youths', and athletic footwear.

Source: U.S. Department of Labor,
Bureau of Labor Statistics.

Industry Concentration

Reports are currently being issued by the U.S. Census Bureau based on the complete census of manufactures (which is compiled every five years) covering operations in the year 1982.

Information on establishments (plants) by employment size has been released, and is summarized below. Later this year, the Bureau will issue details on Concentration Ratios in Manufacturing, which will detail shipment and employment shares by company, etc.

While about 40% of the plants manufacturing footwear (including both nonrubber and rubber/plastic) have fewer than 50 employees, plants with 250 or more (26.6% of the total) accounted for about 69% of the total value of footwear shipments in 1982.

GENERAL INDUSTRY STATISTICS

Industry Concentration (continued)

Value Added By Manufacture & Value of Shipments By Employment Size of Footwear Manufacturing Plants, 1982

	Plants By Employment Size		Value Added By Manufacture		Value of Shipments	
	No.	%	Mil. $	%	Mil. $	%
Nonrubber footwear						
Men's (SIC 3143)	203	100.0	$1,101.1	100.0	$2,261.4	100.0
No. of employees:						
1 - 49	59	29.1	15.7	1.4	32.7	1.5
50 - 99	19	9.4	19.3	1.8	48.3	2.2
100 - 249	49	24.1	222.9	20.3	447.6	20.7
250 - 499	56	27.6	466.2	42.3	932.0	43.1
500 or more (over 2500)	20	9.8	376.9	34.2	700.8	32.4
Women's (SIC 3144)	293	100.0	1,107.0	100.0	1,933.2	100.0
No. of employees:						
1 - 49	99	33.8	31.3	2.8	55.3	2.9
50 - 99	44	15.0	62.0	5.6	119.6	6.2
100 - 249	65	22.2	251.1	22.7	453.9	23.5
250 - 499	77	26.3	617.7	55.8	1,064.5	55.0
500 - 999	8	2.7	145.0	13.1	239.9	12.4
House Slippers (SIC 3142)	62	100.0	149.7	100.0	275.8	100.0
No. of employees:						
1 - 49	32	51.6	9.3	6.2	14.9	5.4
50 - 99	8	12.9	12.8	8.6	23.0	8.3
100 - 249	11	17.7	33.5	22.4	73.9	26.8
250 - 499	8	12.9	61.6	41.1	104.2	37.8
500 - 999	3	4.8	32.5	21.7	59.7	21.7
Other nonrubber footwear (athletic, etc.) (SIC 3149)	193	100.0	450.9	100.0	798.9	100.0
No. of employees:						
1 - 49	111	57.5	31.3	6.9	52.9	6.6
50 - 99	20	10.4	27.3	6.1	43.5	5.4
100 - 249	36	18.6	128.2	28.4	242.2	30.3
250 - 499	22	11.4	224.5	49.8	379.2	47.5
500 or more (up to 2,499)	4	2.1	39.6	8.8	81.1	10.2
Rubber/plastics footwear (SIC 3021)	65	100.0	360.1	100.0	706.2	100.0
No. of employees:						
1 - 49	33	50.8	15.1	4.2	25.8	3.7
50 - 249	13	20.0	59.5	16.5	127.6	18.0
250 - 499	9	13.8	90.0	25.0	157.5	22.3
500 or more (up to 2,499)	10	15.4	195.5	54.3	395.3	56.0

Source: U.S. Bureau of the Census, Census of Manufactures, 1982, (Industry Series MC82-1).

GENERAL INDUSTRY STATISTICS

Location of the Industry

Data on footwear manufacturing plants by leading States has been published by the Census Bureau in the Industry Series reports covering findings in the 1982 census of manufactures. Following is a summary for major segments of the industry--men's footwear except athletic (SIC 3143), and women's footwear, except athletic (SIC 3144).

Maine is the leading State in both segments, accounting for about 16% of the total value added by manufacture and of the total value of industry shipments. The second most important State in the manufacture of men's nonrubber footwear is Tennessee, which accounted for about 13% of the total value added by the manufacturing process (not including cost of materials, etc.) in 1982. Missouri was the second most important State in the manufacture of women's nonrubber footwear, not including athletic.

Men's & Women's Nonrubber Footwear Industry Statistics for Leading States, 1982

	No. of Plants		Employees	Valued Added By Manufacturer		Value of Shipments	
	Total	With 20+ Employees	(thous.)	Mil. $	%	Mil. $	%
Nonrubber footwear							
Men's (SIC 3143)	203	159	46.5	$1,101.1	100.0	$2,261.4	100.0
Leading states:							
Maine	20	18	6.8	184.8	16.8	356.7	15.8
Massachusetts	20	13	3.4	72.5	6.6	138.8	6.1
North Carolina	9	9	3.3	74.3	6.7	155.2	6.9
Pennsylvania	16	15	3.9	82.0	7.4	167.3	7.4
Tennessee	17	17	5.7	142.5	12.9	255.8	11.3
Texas	24	14	4.3	63.4	5.8	209.0	9.2
Wisconsin	13	13	3.4	100.1	9.1	208.1	9.2
Women's (SIC 3144)	293	226	48.4	1,107.0	100.0	1,933.2	100.0
Leading states:							
California	38	26	3.7	70.4	6.4	138.5	7.2
Maine	27	23	6.8	181.0	16.3	305.5	15.8
Missouri	25	22	6.3	143.5	13.0	252.7	13.1
New Hampshire	23	20	5.1	92.0	8.3	170.6	8.8
New York	41	25	2.7	60.1	5.4	106.0	5.5
Pennsylvania	23	19	3.3	67.6	6.1	121.1	6.3
Tennessee	10	10	2.9	70.6	6.4	124.5	6.4

Source: U.S. Bureau of the Census, Census of Manufactures, 1982 (Industry Series MC82-1).

It is reported that the American shoe industry has closed 500 factories since 1968--including 95 last year, alone.

MANUFACTURERS' OPERATING RATIOS/ADVERTISING EXPENDITURES

A composite report covering profit and loss data for 18 shoe manufacturers in fiscal periods has been compiled by Kurt Salmon Associates, management consultants, New York, N.Y. After registering a recovery in 1983 from the recession lowpoint reached in 1982, net income as a percent of net sales dropped to 3.2% in fiscal 1984. This compares with 4.8% in 1983 and 4.7% in 1982.

Profit & Loss Data, U.S. Shoe Manufacturers
Fiscal Period Ending 1980 - 1984

	1984	1983	1982	1981	1980
Reported net sales (18 manufacturers) (000)	$2,643.9	$2,510.1	$2,163.7	$1,733.8	$1,318.1
Percent	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	70.44	68.25	68.76	70.27	70.70
Gross profit	29.56	31.75	31.24	29.73	29.30
Income before tax	5.64	9.03	8.77	8.57	7.28
Income after tax	3.20	4.78	4.67	4.87	3.90
Net income (including extraordinary items)	3.21	4.80	4.67	4.87	3.91

Source: Kurt Salmon Associates Inc., The KSA Perspective, (June 1985).

Some manufacturers managed to do well in 1984--notably those making athletic products or sourcing overseas, with one exception among top performers on the basis of profits--Shaer Shoe, manufacturer of women's shoes. Conversely, the losers, with profit ratios below the group's composite results tended to be manufacturers of conventional and leisure footwear.

One of the fastest growing footwear firms is Reebok, U.S.A., Ltd., which specializes in footwear for aerobics and racket sports. (Like Nike, it is also diversifying into apparel). According to trade reports, Reebok's sales in the U.S. are likely to hit $200 million this year--up from only $3.5 million in 1982. The company has recently gone public. (Reebok footwear is sourced abroad, primarily in Asia).

Sales & Profits of Leading Publicly-Held Footwear Manufacturers

	Sales (Mil. $)			Net Profit		
	1984	1983	% Change 1984/83	% Change 1984/83	% of Sales 1984	% of Sales 1983
U.S. Shoe Corp.	$1,717.4	$1,507.8	+13.9%	- 29.0%	3.11%	4.99%
Nike, Inc.	919.8	867.2	+ 6.1	- 28.6	4.42	6.57
Genesco, Inc.	606.3	639.8	- 5.2	--	1.82	--
Wolverine World Wide	378.6	353.1	+ 7.2	- 95.0	0.28	6.00
Stride Rite Corp.	289.5	301.7	- 4.0	- 67.7	1.87	5.57
Converse, Inc.	265.6	209.5	+26.8	+ 30.2	5.45	5.30
R.G. Barry	120.2	102.7	+17.0	- 76.0	0.12	0.58
Weyenberg Manufacturing	108.4	103.6	+ 4.6	+ 10.3	3.97	3.76

(continued)

MANUFACTURERS' OPERATING RATIOS/ADVERTISING EXPENDITURES

Sales & Profits of Leading Publicly-Held Footwear Manufacturers
(continued)

	Sales (Mil. $)			Net Profit		
	1984	1983	% Change 1984/83	% Change 1984/83	% of Sales 1984	% of Sales 1983
Suave Shoe Corp.	96.4	$ 111.5	- 13.5%	*	--	1.82%
Craddock Terry	83.4	80.1	+ 4.1	*	--	3.01
Amfesco Industries, Inc.	81.9	74.5	+ 9.9	+ 12.5	12.92	12.62
Tony Lama Co., Inc.	78.9	79.0	- 0.1	- 29.5	3.59	5.09
The Cherokee Group	72.4	48.3	+ 49.9	+ 82.5	4.22	3.47
Hyde Athletic Industries	47.3	44.6	+ 6.2	- 6.4	5.67	6.43
B.B. Walker Co.	42.6	39.7	+ 7.3	**	0.41	--
Shaer Shoe Corp.	28.0	23.4	+ 19.4	+110.5	8.46	4.80
Daniel Green Co.	25.6	26.1	- 2.0	- 0.3	8.16	8.02
Penobscot Co.	12.6	18.2	- 30.7	+146.9	2.88	0.81
Wellco Enterprises, Inc.	10.2	9.1	+ 12.0	***	--	--
Composite Results	4,985.1	4,639.9	+ 7.4	- 27.4	3.01	4.46

* Loss in 1984. ** Loss in 1983. *** Loss in both 1983 and 1984.

Source: Footwear News, July 8, 1985.

In addition to the above resources, large footwear retailing companies are diversifying their operations, getting into manufacturing operations to supply their own retail outlets. These vertical companies include Melville, Wiener Enterprises, Brown Group and U.S. Shoe.

Advertising Expenditures

Management consultants Schonfeld & Associates, Evanston, Illinois, compile an annual study of advertising expenditures based on an analysis of companies' 10-K Reports. These are filed by publicly-owned companies with the Securities & Exchange Commission. Total spending for advertising by footwear suppliers--including both media and non-media spending, production, etc.--included in the detailed report issued by Schoenfeld for 1984--was summarized in the July 15, 1985 issue of Advertising Age, as noted below.

It should be noted that the percents are based on a composite of all reports, including companies which advertise and those who do not.

Nonrubber Footwear Industry Advertising Expenditures, 1981-1984

Year	Advertising Expenditures % of Sales	Advertising Expenditures % of Margin	Annual Growth Rate %
1984	3.8%	10.4%	7.8%
1983	3.0	8.5	6.5
1982	3.0	7.9	5.9
1981	3.0	8.2	nr

nr not reported.

Source: Schoenfeld & Associates, Advertising Age (July 15, 1985).

PRODUCTION

Capacity utilization in the U.S. footwear industry underwent a sharp drop starting in 1982 due to a flood of imports. And it has continued to decline, although there has been some levelling off somewhat in the past two years. Footwear Industries of America reports capacity utilization at 70.1% in 1984, compared with an overall average of 70.3% in 1983. In 1982, the average was 73.1%; in 1981, 79.1%; in 1980, 78%.

The lowest rate last year was in athletic footwear (56.9%). Women's footwear plants had the best rate (75.5% on average), followed by children's footwear, at 71% and men's at 70.8%.

Nonrubber Footwear

In the first six months of 1985, preliminary figures on U.S. nonrubber footwear production compiled by the Census Bureau showed a decline of 18.9% in pairage compared with the same 1984 period. Production of men's footwear was down 16.7%; women's, down 20.7%, and juvenile footwear, down 21.8%. Production of footwear classified as athletic registered a whopping drop of 46.1%.

Revised 1984 production figures for nonrubber footwear totaled 301.4 million pairs, an 11.1% decrease from 1983 production figures of 339.2 million pairs. Of the total 1984 production, 72.1 million pairs were men's, 6.5 million pairs were youths' and boys', 114.6 million were women's, 5.4 million were misses', and 10.2 million were children's shoes. Athletic footwear accounted for almost 14 million pairs in 1984 (down 24% compared with 1983).

In the nonrubber footwear category, 1984 production of men's shoes and boots, not including athletic footwear, registered a 4.7% decline compared with the 1983 total. This category was sustained by an output of men's boots (up 4.2%) and work shoes/boots (up 9.5%), as production of men's dress and casual shoes in 1984 declined 12.4%.

Production of women's shoes and boots, except athletic, registered an overall decline of 14.3% in 1984 compared with 1983. The sharpest dip occurred in sandals (-26.2%), a classification under particularly sharp competition from imports. Shoes and boots for misses were the only major classification to register a gain (up 49%) in 1984 compared with 1983, but output remained 36% below the total reported for 1982. Domestic production of nonrubber footwear peaked at 642 million pairs in 1966 and has been declining since that year.

Percentage Distribution of U.S. Production of Nonrubber Shoes & Boots By Categories, 1982-1984

	1984	1983	1982
Total nonrubber shoes & boots	100.0%	100.0%	100.0%
Men's, youths', boys', excl. athletic	31.7	30.0	29.2
Women's, misses', excl. athletic	48.5	50.2	49.5
Children's, infants', excl. athletic	12.1	11.4	12.7
Athletic	5.7	6.5	6.5
All other non rubber, excl. slippers	2.0	1.9	2.1

Source: International Trade Commission based on U.S. Bureau of Census statistics.

PRODUCTION

Rubber/Plastics Footwear

The rubber/plastics footwear industry is composed of two distinct product classes: (1) rubber and plastics protective footwear (hunting boots, galoshes, rubbers, industrial productive footwear, etc.) and (2) rubber or plastic-soled footwear with fabric upper (tennis shoes, sneakers, nonleather athletic footwear and such specialties as espadrilles and other leisure shoes).

Preliminary figures from the Census Bureau for the first six months of 1985 show production of the sneaker-type rubber/plastic footwear to be down 8.1%, while protective footwear gained 15.3% compared with the same 1984 period.

This follows a sharp decline in the tennis shoe/sneaker type of footwear in 1984. Production was off over 17% following a 16% decline in 1983 compared with 1982.

Rubber/plastic protective footwear output, however, gained 14.7% in 1984 over 1983.

Total Footwear

U.S. Production of Footwear By Type, 1982-1984
(Thousands of pairs)

	1984	1983(r)	1982(r)	% Change 1984/83	% Change 1983/82
Footwear, total (nonrubber & rubber/plastic excl. protective footwear)	365,914	417,236	452,003	- 12.3%	- 7.7%
Shoes & slippers, nonrubber, total	301,398	339,182	359,107	- 11.1	- 5.5
Shoes, athletic footwear, boots	247,372	281,490	305,066	- 12.1	- 7.7
Men's, except athletic	72,048	75,617	79,727	- 4.7	- 5.2
Dress & casual	41,475	47,352	43,874	- 12.4	- 7.9
Boots, dress & casual	11,066	10,619	14,496	+ 4.2	-26.7
Western style boots	7,468	7,220	11,199	+ 3.4	-35.5
Work shoes (ankle height or higher	19,316*	17,646	21,357	+ 9.5	-17.4
Steel toes	5,473	5,642	7,068	- 3.0	-20.2
Type not specified	191	--	--	--	--
Youths' & boys' (except athletic)	6,522	8,983	9,388	- 27.4	- 4.3
Boots	173	441	1,024	- 60.8	-56.9
Women's, except athletic	114,584	133,684	142,516	- 14.3	- 6.2
Sandals	13,433	18,198	19,775	- 26.2	- 8.0
Dress & casual (except sandals)	93,212	106,773	115,934	- 12.7	- 7.9
Uniform duty shoes	51	nr	nr	--	--
Boots, ankle height or higher	7,888	8,713	6,807	- 9.5	+28.0
Western style boots	575	nr	nr	--	--

(continued)

PRODUCTION

Total Footwear (continued)

U.S. Production of Footwear By Type, 1982-1984
(Thousands of pairs)
(continued)

	1984	1983(r)	1982(r)	% Change 1984/83	% Change 1983/82
Footwear nonrubber (continued)					
Misses' (except athletic)	5,444	3,653	8,536	+49.0%	-57.2%
Boots	91	nr	nr	--	--
Children's shoes (except athletic)	10,223	10,518	13,202		
Boots	629	917	1,752	-31.4	-47.7
Infants' & babies'	19,653	21,451	25,435	- 8.4	-15.7
Athletic shoes	13,980	18,397**	19,866	-24.0	- 7.4
By type:					
Court shoes	1,762	nr	nr	--	--
Running or jogging shoes	3,884	nr	nr	--	--
Cleated, except golf shoes	125	nr	nr	--	--
All other	8,209	nr	nr	--	--
All other shoes in the nonrubber footwear classification (ballet, etc.)	4,918	5,254	6,396	- 6.4	-17.8
Slippers	54,026	57,692	54,041	- 6.4	+ 6.8
Men's, youths', boys'	9,286	9,309	9,107	- 0.2	+ 2.2
Women's, misses'	39,183	42,222	39,430	- 7.2	+ 7.1
Children's, infants,, babies'	5,557	6,161	5,504	- 9.8	+11.9
Shoes with rubber or plastic soles/fabric uppers, total	64,516	78,054	92,896	-17.3	-15.8
Fabric upper espadrilles	1,263	1,287	1,963	- 1.9	-14.4
Fabric upper cement process	3,984	7,066	6,698	-43.6	+ 5.5
All other fabric upper shoes	59,269	69,701	84,235	-15.0	-17.2

* See following table on work shoes.
** See following table on athletic shoes.
(r) revised
nr not reported

Source: U.S. Bureau of the Census,
Current Industrial Reports, Footwear (MA-31).

Special Types

For the year 1984 the Census Bureau reported the following data on work shoes and boots not covered in earlier reports:

Production of Work Shoes & Boots for Men, 1984
(Thousands of pairs)

Work oxfords	3,219
Steel toes	881
Work boots	16,097
Steel toes	4,592

PRODUCTION

Special Types (continued)

Census Bureau data for 1983 and 1982 included the following breakdowns on athletic footwear not reported in 1984:

Production of Athletic Footwear, 1982, 1983
(Thousands of pairs)

	1983	1982
Athletic shoes	18,307	19,866
Designed for sports	6,703	7,413
All other (joggers, etc.)	11,604	12,453
Up to size 3	972	1,411
Size 3 and over	10,632	11,042

Source: U.S. Bureau of the Census,
Current Industrial Reports.

U.S. Production of Rubber & Plastic Protective Footwear, 1982-1984
(Thousands of pairs)

	1984	1983(r)	1982(r)	% Change 1984/83	% Change 1983/82
Total	17,734	15,459	13,920	+ 14.7%	+ 11.1%
Rubber upper protective footwear	9,331	8,242	6,721	+ 13.2	+ 22.6
Boots	3,560	3,541	2,072	+ 1.3	+ 69.6
Lumberman & pacs	nr	nr	nr	--	--
Arctics & gaiters	2,379	1,884	1,744	+ 26.3	+ 8.0
Light & heavy rubbers	nr	nr	nr	--	--
Plastic upper protective footwear	5,138	4,916	5,822	+ 4.5	- 15.6
Fabric upper protective footwear	3,265	2,301	1,377	+ 41.9	+ 67.1

(r) revised
nr not reported

Source: U.S. Bureau of the Census,
Current Industrial Reports, Footwear (MA-31).

PRODUCTION

Seasonal Pattern in Production

Percent of Year's Total Production by U.S. Manufacturers, by Months, 1984
(Based on quantity)

	Nonrubber Footwear Total*	Men's	Women's	Juvenile	Athletic	Slippers
Total, year 1983	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
January	9.0	8.4	9.7	9.2	9.7	8.6
February	9.6	8.6	10.0	10.9	8.6	9.5
March	10.0	10.0	9.8	10.2	11.4	9.7
April	9.1	9.6	9.2	8.9	8.8	8.6
May	9.4	9.5	9.4	9.8	8.8	9.2
June	8.1	8.3	7.9	8.4	6.2	8.4
July	6.8	6.5	7.7	7.8	4.9	5.3
August	8.6	8.7	8.2	6.7	10.6	10.2
September	7.2	7.2	7.0	6.4	8.2	8.0
October	8.3	9.0	7.6	7.5	7.8	9.4
November	7.4	7.4	7.1	7.5	7.0	7.7
December	6.4	6.8	6.4	6.7	8.0	5.6

* Includes other nonrubber footwear not separately reported.

Source: Based on U.S. Bureau of the Census, Current Industrial Reports.

By Geographic Region of the U.S.

The 12.3% decline in U.S. production of nonrubber footwear in 1984 compared with 1983 was shared (though not equally) by producers throughout the U.S. Factories in the Middle Atlantic region were able to do better than the overall average, thus upping their shares of total production.

New England's share of nonrubber footwear production went from 22.2% in 1983 to 21.0% in 1984. The Middle Atlantic region's share increased from 21.9% to 23.5%.

PRODUCTION

By Geographic Region of the U.S. (continued)

Production of Nonrubber Footwear by Geographic Region & By Leading States, 1983, 1984

	Thousand Pairs		Percent Distribution	
	1984	1983	1984	1983
U.S. total	301,398	339,182	100.0%	100.0%
New England division	63,229	75,166	21.0	22.2
Maine	34,799	42,836	11.5	12.6
New Hampshire	11,502	15,045	3.8	4.4
Other States	16,928	17,285	5.6	5.1
Middle Atlantic division	70,960	74,360	23.5	21.9
New Jersey	nr	nr	--	--
New York	nr	nr	--	--
Pennsylvania	39,696	37,484	13.2	11.1
North Central region	72,078	82,744	23.9	24.4
Ohio	nr	nr	--	--
Illinois	5,885	7,301	1.9	2.2
Wisconsin	7,236	7,321	2.4	2.1
Missouri	34,493	35,172	11.4	10.4
South & West regions	95,131	106,912	31.6	31.5
Virginia	nr	nr	--	--
North Carolina	5,911	7,328	2.0	2.2
Tennessee	18,872	20,138	6.3	5.9
Maryland	nr	nr	--	--
Georgia	3,680	5,010	1.2	1.5
Florida	nr	nr	--	--
Kentucky	2,846	3,826	0.9	1.1
Arkansas	11,927	12,969	3.9	3.8
Texas	12,817	12,922	4.2	3.8
California	7,032	10,430	2.3	3.1
Hawaii	nr	nr	--	--
Other States	14,101	14,717	4.7	4.3

nr not reported. (Data withheld to avoid disclosing figures for individual companies).

Source: U.S. Bureau of the Census, Current Industrial Reports, MA31A(84).

Materials

The footwear industry consumed about 62% of all leather produced domestically in 1984. The production of footwear made with leather uppers held at about 55%, although overall footwear production has declined, as previously noted.

PRODUCTION

Materials (continued)

Consumption of sole leather in 1984 remained relatively unchanged from 1983. The high proportion of cattlehides exported in recent years have been a major cause of high domestic raw material and leather prices. Developing countries--particularly raw-material producers, such as Argentina, Brazil and India--have used embargoes and taxes to restrict their exports and encourage their own tanning and leather products industries. Due to such restrictive measures, world demand has been concentrated in the U.S., driving up prices. For January-August 1984, the Commerce Department composite monthly price of cattlehides averaged 64.1 cents per pound, up 29% from an average of 49.4 cents per pound in the same 1983 period. In August 1984 the price reached 68.2 cents per pound and appeared to be on its way to reaching once again the historic high of 75 cents recorded in 1979. However, prices softened somewhat in 1985. As of July, the Department of Labor reported the producer price index covering leather was 9.3% below the index in July 1984.

Preliminary information on nonrubber footwear production in the U.S. in 1983 indicates that, overall, 55% of the pairs produced had leather uppers, up from 53.2% in 1982, and 53.0% in 1981.

Production of Nonrubber Footwear by Material in Uppers, 1982-1984
(Shoes, Boots & Slippers)

	1984		1983(r)		1982(r)	
	Mil. Pairs	%	Mil. Pairs	%	Mil. Pairs	%
Total Production	301.4	100.0	334.2	100.0	359.1	100.0
Type of upper:						
Leather	165.2	54.8	187.1	55.2	196.3	54.7
Plastic (vinyl)	72.0	23.9	74.6	22.0	87.3	24.3
Other	64.2	21.3	77.5	22.8	75.5	21.0

(r) = revised

Source: Based on U.S. Bureau of the Census reports.

While production by U.S. manufacturers has been on the decline, the share of U.S. shoe output accounted for by those with leather uppers has held at 65%. Men's shoes have the highest percentage of leather uppers (over 92% in 1984). Not including rubber/plastic-soled athletic footwear, athletic shoe types made in the nonrubber footwear classification registered a gain in 1984, reversing the sharp decline in recent years.

Share of U.S. Production of Selected Types of Nonrubber Shoes & Boots Which Have Leather Uppers

	Percent of Total				
	1984	1983	1982(r)	1981	1980
Leather uppers in shoes & boots, total*	65.5%	65.3%	63.1%	63.7%	63.5%
Men's shoes & boots, except athletic	92.2	90.2	89.9	87.9	86.7
Women's shoes & boots, except athletic	54.1	56.7	54.6	54.2	54.8
Athletic footwear	53.6	46.4	43.4	51.5	68.6

* Includes shoe types not separately listed.
(r) = revised.

Source: Based on U.S. Bureau of the Census, Current Industrial Reports.

PRODUCTION

Materials (continued)

Allowing for imports, the total supply of footwear available to consumers shows a different picture in regard to types of upper material. Leather's share is sharply reduced.

Data on the overall supply--or U.S. apparent consumption of footwear--by type of material indicates a definite trend to footwear which is primarily leather. Including U.S. production plus imports for consumption less U.S. exports, leather footwear in 1984 represented 43% of the total supply, up from 40.5% in 1983 and 39% in 1982.

Total U.S. Apparent Consumption of Footwear
By Major Material Type, 1982-1984
(Pairs are in millions)

	1984		1983		1982	
	Pairs	%	Pairs	%	Pairs	%
Total footwear	1,222.8	100.0	1,119.9	100.0	1,045.0	100.0
Shoes & slippers (nonrubber)	1,018.3	83.3	911.9	81.4	829.8	79.4
Leather footwear	525.6	43.0	453.4	40.5	407.2	39.0
Plastic footwear	327.5	26.8	259.7	23.2	260.8	25.0
All other	165.1	13.5	198.7	17.7	161.7	15.5
Footwear with rubber or plastic soles, fabric uppers	171.1	14.0	179.5	16.0	190.6	18.2
Rubber & plastic protective footwear	33.4	2.7	28.5	2.5	24.6	2.4

Source: U.S. Bureau of the Census,
Current Industrial Reports.

PRODUCT SHIPMENTS

Monthly estimates on production and shipments of footwear by U.S. manufacturers based on mail surveys are compiled by the U.S. Census Bureau in the Current Industrial Reports series. Annual estimates on a broader base are compiled by the Bureau in the annual surveys of manufactures (of which the most recent report covers 1981), and in the complete census of manufactures compiled every five years.

In the first six months of 1985, according to CIR data, nonrubber footwear shipped by U.S. plants declined 19.1% in quantity and 20.1% in value, compared with the same 1984 period. In the same months of 1985, there was an increase of 7.2% in the quantity of rubber/plastic footwear of the sneaker type shipped by U.S. plants, but the value of these shipments was off 7.2% from the total in the first half of 1984. Shipments of rubber/plastic protective footwear were down 1.9% in terms of pairs, but value was up 10.3%.

The International Trade Administration, U.S. Department of Commerce, has issued the following estimates on total footwear, shipments by all producers in the U.S. in terms of value on a constant (1972) dollar, with projections for 1985.

PRODUCT SHIPMENTS

Value of Footwear Shipments By All U.S. Producers, 1982-1985
(Millions of 1972 dollars)

	1982	1983	1984	1985(p)	Percent Change 1983/82	1984/83	1985/84
Nonrubber footwear							
Total value	2,592	2,532	2,178	2,112	- 2.3%	-14.0%	- 3.0%
Men's (exc. athletic)	973	986	904	879	+ 1.3	- 8.3	- 2.8
Women's (exc. athletic)	1,025	979	778	748	- 4.5	-20.5	- 3.9
Slippers	143	128	111	111	-10.5	-13.3	--
Footwear, n.e.c.	451	439	385	374	- 2.7	-12.3	- 2.9
Rubber/plastics footwear							
Total value	388	285	382	375	- 0.7	- 0.6	- 1.9

n.e.c. not elsewhere classified.
(p) projected.

Source: U.S. Department of Commerce, International Trade Administration, 1985 U.S. Industrial Outlook.

Quantity & Value of Shipments of Footwear By All Producers, 1983, 1984
By Type of Footwear

	Pairs (thous.) 1984	Pairs (thous.) 1983	Value (mil. $) 1984	Value (mil. $) 1983	% Change 1984/83 Pairs	% Change 1984/83 Value
Footwear, incl. rubber/plastic as well as nonrubber, total	--	--	$4,934.2	$5,299.9	--	- 6.9%
Nonrubber footwear, total	307,201	343,082	4,532.0	4,814.7	- 10.5%	- 5.9
Shoes & boots (excl. slippers)	252,387	283,483	4,334.7	4,607.8	- 11.0	- 5.9
Men's, except athletic	72,488	78,385	1,969.7	1,988.2	- 7.5	- 0.9
Dress & casual	41,775	47,474	959.4	1,013.8	- 12.0	- 5.4
Boots (dress & casual, including Western)	10,223	10,286	448.7	431.9	- 0.6	+ 3.9
Workshoes & boots	20,490	20,625	561.5	542.5	- 0.6	+ 3.5
Youths' & boys', except athletic	6,015	8,851	64.2	88.2	- 32.0	- 27.3
Women's, except athletic	116,967	132,985	1,738.6	1,918.1	- 12.0	- 9.4
Sandals	15,372	18,084	154.4	227.5	- 15.0	- 32.1
Dress & casual, except sandals	94,201	105,662	1,411.7	1,450.3	- 10.8	- 2.7
Boots, ankle height or higher	7,394	9,239	172.6	240.3	- 20.0	- 23.2
Misses', except athletic	4,905	6,917	61.7	85.3	- 29.1	- 27.7
Children's, except athletic	10,744	10,915	117.8	121.0	- 1.6	- 2.6
Infants' & babies'	21,684	22,222	139.9	133.9	- 2.4	+ 4.6
Athletic	14,120	17,265	206.2	233.9	- 18.2	- 11.9
All other nonrubber shoes	5,464	5,943	36.6	39.0	- 8.1	- 6.1
Slippers	54,814	59,599	197.3	207.2	- 8.0	- 4.7
Men's, youths', boys'	9,495	10,029	41.9	42.4	- 5.3	- 5.9
Women's & misses'	39,371	43,076	142.6	151.5	- 8.6	- 5.9
Children's, infants', babies'	5,948	6,494	12.8	13.2	- 8.4	- 2.8

(continued)

PRODUCT SHIPMENTS

Quantity & Value of Shipments of Footwear By All Producers, 1983, 1984
By Type of Footwear
(continued)

	Pairs (thous.)		Value (mil. $)		% Change 1984/83	
	1984	1983	1984	1983	Pairs	Value
Rubber/plastic footwear						
Rubber/plastic soles/fabric uppers, total	65,300	78,560	$ 402.2	$ 485.2	- 16.9%	- 17.1%
Espadrilles	1,289	1,262	11.3	9.3	+ 2.1	+ 21.6
Protective footwear						
Rubber upper	8,732	7,007	95.2	83.1	+ 24.6	+ 14.6
Plastic upper	5,152	4,369	28.9	30.6	+ 17.9	- 5.6
Fabric upper	3,232	2,118	34.3	20.5	+ 52.6	+ 66.9

Source: U.S. Bureau of the Census,
Current Industrial Reports (MA31A).

Athletic Footwear

The U.S. athletic footwear industry faced severe problems in 1983/84, involving inroads from imports, fast-changes in style preferences on the part of consumers, and oversupply at the retail level. In terms of pairs, U.S. shipments were down 18.2%; in value, down 11.9% in 1984 compared with 1983. Athletic footwear accounted for 4.6% of U.S. producers' shipments of nonrubber footwear last year, down from 5.0% in 1983 and 1982. Imports of nonrubber athletic footwear, on the other hand, rose 40.4% in pairage and 42.6% in value in 1984 compared with 1983. Imports of nonleather athletic footwear, however, were down 27%.

Nevertheless, according to an analysis of the domestic athletic shoe industry by the Sporting Goods Manufacturers Association (SGMA), the overall industry was judged to be in good shape despite the internal shifts taking place in consumer footwear preferences. Manufacturers sales were expected to remain level in 1985, at about $2.2 billion in wholesale value. However, profits were expected to drop to a three-year low, following a record performance of 6% return on sales in 1983.

Market leader Nike was off 2.5% in domestic sales (which reached $620 million in 1984, according to SportStyle, July 15, 1985). Second in dollar volume last year was Converse ($234 million), followed by Adidas ($185 million).

The changes occurring in the consumer market are reflected in the fact that running shoes accounted for 28.4% of Nikes' footwear revenues (year ending May 1985), compared with 31.5% in 1984, 40.1% in 1983. Basketball increased in share of revenue from 16.4% in 1984 to 25% in the most recent period; racquetball shoes, from 10.7% to 13.1% in the same period; field sports footwear, from 5.5% to 7.2%.

PRODUCT SHIPMENTS

Shipments by Class of Customer

The latest information issued by the Census Bureau covering the distribution of U.S. manufacturers' shipments (value) by class of customer is for the year 1980. Independent wholesalers are of minor importance in the footwear distribution picture.

Distribution of Manufacturers' Sales of Shoes & Slippers
By Class of Customer, 1980
(Not including Rubber/Plastic Footwear)

	Men's Shoes Exc. Athletic	Women's Shoes Exc. Athletic	Athletic Footwear	All Other Footwear	Slippers
Total shipments	100.0%	100.0%	100.0%	100.0%	100.0%
Retail stores & outlets of this company	22.9	18.4	37.9	23.1	5.6
Independent retailers	27.0	32.0	10.6	28.5	22.7
All other retailers	38.5	39.1	22.7	29.0	59.3
Wholesalers	8.2	7.4	28.3	18.5	10.2
All others, incl. govt. & for export	3.4	3.1	0.8	0.9	2.2
Total sales (mil. $)	$2,000.2	$1,763.6	$ 245.9	$ 469.4	$ 253.1

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Series MA-31A.

PRODUCER (FACTORY) PRICES

Preliminary information on the level of producer (factory) prices for U.S.-made footwear issued by the U.S. Bureau of Labor Statistics for the month of August 1985 showed prices averaging 3.0% above the level in the same month last year for nonrubber footwear. Rubber/plastic footwear prices were up 0.8%. On a seasonally adjusted basis, July prices for nonrubber footwear averaged 0.3% above July while rubber/plastic footwear prices showed no change.

The latest available detailed data on footwear producer prices by type of footwear covers May, 1985 averages, included in the table below.

Producer Price Indexes on Footwear
As of May, 1983-1985

	Base Period	Index for May 1985	1984	1983
All footwear	1967	253.9	251.8	248.7
Men's footwear	1967	288.7	290.2	282.9
With leather upper	1967	290.5	291.0	283.2
Dress, casual	12/80	104.5	107.8	104.6
Boots	12/80	115.1	109.7	111.2
Work shoes, boots	12/80	118.5	114.3	109.7
Other	12/80	114.7	108.3	103.5
With plastic upper	12/80	101.3	105.9	105.5

(continued)

PRODUCER (FACTORY) PRICES

Producer Price Indexes on Footwear
As of May, 1983-1985
(continued)

	Base Period	Index for May 1985	1984	1983
Women's footwear	1967	231.5	226.5	228.3
With leather upper	1967	224.5	219.7	224.6
Dress	12/80	112.1	109.0	103.0
Casual	12/80	106.0	97.4	98.9
Sandals	12/80	80.1	92.4	107.1
Boots	12/80	nr	111.0	109.1
Other	12/80	128.0	123.7	111.9
With plastic upper	12/80	103.8	103.3	99.9
Children's footwear (size 8 1/2-12)	1967	215.5	214.2	208.5
Misses' footwear (size 12 1/2-2 1/2)	6/80	103.7	102.7	101.1
Youths' & boys' (size 12 1/2-6)	6/80	120.0	120.0	112.8
Infants', babies (size 1-8)	6/80	116.4	115.5	110.2
Athletic footwear *	6/80	106.0	104.1	101.5
Rubber/plastic (incl. protective footwear)	1967	216.2	234.1	225.2

* Month of April
nr not reported

Source: U.S. Bureau of Labor Statistics.

As of May 1985, producer prices on all types of men's footwear in the non-rubber category were up 5.2% compared with May 1983. Other changes: women's footwear, +3.2%, children's, +3.4%; misses', +2.6%; youths'/boys' + 6.4%; infants'/babies; +5.6%, and athletic footwear, +4.4% The May 1985 the producer price index for rubber/plastic footwear was almost 4% below the May 1983 level.

FOREIGN TRADE

For the third consecutive year, in 1984 nonrubber footwear imports into the U.S. rose by more than 100 million pairs, continuing the acceleration in imports which began when the four-year Orderly Marketing Agreements (OMAs) with South Korea and Taiwan expired in June 1981, and when the U.S. dollar registered increasing strength against foreign currencies.

Imports of nonrubber footwear reached 725.9 million pairs last year, up 24.7% compared with 1983, and had a Customs Value of over $4.6 billion--27% above the 1983 total. Gains in imports of rubber/plastic footwear were less spectacular--up 6.8% in quantity and 7.5% in value. Year-to-date nonrubber footwear imports in the first seven months of 1985 were up 9.6% compared with the same 1984 period in terms of pairs, and there were indications that gains may be slowing down.

FOREIGN TRADE

For 1984, imports represented 69.5% of the total U.S. market supply of footwear (pairs), up from 56.4% in 1982. In terms of value, comparable figures were 54.4% and 43.2%, respectively, based on Census Bureau data. As of the first half of 1984, according to the International Trade Commission (ITC), the average U.S. factory price of domestic nonrubber footwear was 125% higher than the import price. The price disparity, added by the strong U.S. dollar and by lower production costs overseas, grew from 95% in 1982.

Reversing its position of a year earlier, in May 1985 the ITC issued a finding that the domestic footwear industry was being damaged by imports and should be protected by quotas for the next five years. The ITC recommendation was designed to cut imports of shoes valued at $2.50 or more per pair (Customs Value) by 35% and to dispense import quotas through an auction system. It was submitted to President Reagan for approval, rejection, or modification while the diverse interests represented within the industry took opposing stands.

Strongly supporting controls were U.S. manufacturers with no direct involvement in overseas production. Opposed were importers, including U.S. manufacturers with plants overseas (whose output is reported to account for some 21% of U.S. imports). None of the athletic shoe companies are purely domestic manufacturers or purely importers. Nike, for example, imports 90% of its footwear. Also opposed to imposition of quotas were large retailers and retailer groups who claimed they would raise prices and limit supplies. The ommission of footwear valued at under $2.50 per pair was viewed in some quarters, as a series flaw in the proposal, as these are said to account for over 20% of footwear imports.

The President announced his decision to reject the ITC proposal at the end of August. Considerations of retaliatory actions on the part of foreign countries and the national economic interest were cited in making this decision to reject any form of import protection for the U.S. footwear industry. It was charged that shoe import quotas would provide minimum benefit to the industry and would cost the U.S. consumer almost $3 billion, as well as damaging relations with U.S. trading partners. According to a statement by the Council of Economic Advisors (CEA), the quota plan would require the U.S. to pay compensation to other countries--usually in the form of reduced U.S. exports--valued at some $2.1 billion--in order to comply with the General Agreement on Tariffs and Trade, to which the U.S. is a party.

The U.S. Trade Representative stated that an analysis of the industry indicated that it will never be price competitive with imports, although segments will remain competitive on the basis of brand loyalty, quality and service. The CEA advised the President that the ITC's five-year quota plan would involve annual consumer costs ranging between $343 million and $572 million; and while it would increase U.S. employment by between 13,000 and 22,000 jobs, the cost to consumers of each job would be $26,300, compared with the average shoe worker's annual pay of $14,000.

Despite gloomy prospects for relief, the U.S. nonrubber manufacturers with a strong stake in survival are turning attention to possible legislative action by Congress, couched in a form that would withstand a Presidential veto. A possible tactic under consideration would entail the attachment of a footwear protection amendment to pending textile trade enforcement legislation as it moves through Congress.

Imports

Meanwhile, the steps which large manufacturers have taken to survive will no doubt increase--including the importation of components for assembly in the U.S. as well as imports of finished footwear made in manufacturer-owned plants abroad, as manufacturer-owned retail outlets, and investment in new technology, including robotics and computerized operations. However, most of these life-saving measures are out of reach for many small and medium-size producers. Further consolidation and concentration of domestic companies in the footwear industry appears inevitable.

Foreign-mades continue to account for an increasing share of the U.S. market for rubber/plastic footwear of all types. Imports first became significant about 1960 and within a few years accounted for 25% of all rubber and plastics footwear sold in the U.S. By 1970, the import's share was 30%; 50% in 1980; about 60% in 1984.

Imports of Footwear -- Percent of Apparent U.S. Consumption, 1982-1984

	1984		1983		1982	
	Pairs	Value	Pairs	Value	Pairs	Value
Total footwear consumption*	69.5%	54.4%	62.2%	44.7%	56.4%	43.2%
Shoes & slippers (nonrubber)	71.3	55.0	63.6	45.0	57.8	43.1
Leather	68.9	na	59.3	na	52.7	na
Plastic	78.8	na	71.8	na	67.0	na
Other	63.7	na	62.9	na	55.9	na
Footwear with rubber or plastic soles/fabric uppers	62.9	51.6	57.2	43.5	52.0	44.3
Rubber/plastic protective footwear	47.9	43.4	46.9	41.8	45.1	41.2

* Includes U.S. production less exports plus imports for consumption in the U.S.

Source: U.S. Bureau of the Census, Current Industrial Reports.

A special report by the ITC traced the impact of imports by type of footwear from 1979 through 1983.

Nonrubber Footwear: U.S. Imports Relative to U.S. Consumption & To Production, 1979-1983

	1983	1982	1981	1980	1979
Ratio of Imports to Consumption					
Nonrubber footwear, total	63.6	59.0	51.0	49.5	50.9
Men's, youths', boys'	61.4	57.3	42.6	41.2	41.0
Women's, misses'	69.8	64.7	61.2	59.5	63.4
Children's, infants'	60.1	50.7	40.9	36.9	37.8
Athletic	85.8	85.3	78.6	82.9	69.0
All other	0.3	0.3	0.1	0.1	0.2

(continued)

Imports (continued)

Nonrubber Footwear: U.S. Imports Relative to U.S. Consumption & To Production, 1979-1983

	1983	1982	1981	1980	1979
Ratio of Imports to Production					
Nonrubber footwear, total	170.5	140.1	101.0	94.7	101.4
Men's, youths', boys'	155.1	128.9	71.3	67.3	67.6
Women's, misses'	226.2	179.8	153.8	143.5	170.1
Children's, infants'	148.8	101.7	68.4	57.8	59.9
Athletic	541.3	522.6	321.3	356.2	196.6
All other	0.3	0.3	0.1	0.1	0.2

Source: U.S. International Trade Commission based on U.S. Bureau of the Census reports.

U.S. Footwear Imports by Type, 1983, 1984

	1984					1983		% Change 1984/1983	
	Pairs (Mil.)	% of Total	Value # (Mil.$)	% of Total	Avg. Value Per Pair	Pairs (Mil.$)	Value # (Mil.$)	Pairs	Value
Footwear, total	867.2	100.0	$5,007.4	100.0	$ 5.77	741.1	$3,993.1	+ 21.4	+ 25.4
Nonrubber footwear, total	725.9	83.7	4,651.4	92.9	6.41	581.9	3,662.0	+ 24.7	+ 27.0
Rubber/plastics footwear, total	141.3	16.3	354.0	7.1	2.52	132.3	331.1	+ 6.8	+ 7.5
By type of footwear:									
Men's & boys', total	199.6	23.0	1,531.5	30.6	7.67	183.0	1,298.5	+ 9.1	+ 17.9
Women's & misses', total	419.7	48.4	2,634.7	52.6	6.28	316.9	1,975.7	+ 32.4	+ 33.4
Children's & infants', total	68.9	7.9	217.8	4.3	3.16	55.3	164.6	+ 24.5	+ 33.0
Type not specified, total	32.7	4.3	267.3	5.3	7.10	26.7	223.2	+ 41.2	+ 19.8
Dress & casual footwear, total	45.5	47.9	3,012.0	60.1	7.25	321.8	2,263.4	+ 29.1	+ 33.1
Leather uppers, total (N)	242.1	27.9	2,391.3	47.7	9.88	179.0	1,739.5	+ 35.2	+ 37.5
Men's & boys'	52.3	6.0	606.4	12.1	11.59	40.1	454.8	+ 30.3	+ 33.3
Women's & children's	198.3	21.7	1,765.9	35.3	9.38	137.3	1,267.5	+ 37.1	+ 39.3
Other, not specified	1.5	0.2	19.0	0.4	12.96	1.6	17.1	- 6.9	+ 10.6
Lined vinyl uppers, total (N)	173.4	19.9	620.7	12.4	3.58	142.7	523.9	+ 21.5	+ 18.5
Men's & boys'	23.0	2.6	98.0	2.0	4.26	22.1	91.9	+ 3.7	+ 6.7
Women's & misses'	133.5	15.4	475.1	9.5	3.56	105.8	391.8	+ 26.2	+ 21.3
Children's & infants'	16.9	1.9	47.6	0.9	2.82	14.8	40.2	+ 14.4	+ 18.3
Athletic, total	229.3	26.4	1,196.6	23.9	5.22	190.5	916.0	+ 20.3	+ 30.6
Leather uppers, total (N)	111.2	12.8	827.3	16.5	7.44	79.2	580.0	+ 40.4	+ 42.6
Men's & boys'	72.2	8.3	585.6	11.7	8.11	55.2	437.4	+ 30.6	+ 33.9
Women's & children's	38.7	4.5	236.9	4.7	6.12	23.7	138.8	+ 63.5	+ 70.7
Ski boots	0.4	*	4.8	0.1	12.86	0.3	3.8	+ 24.2	+ 27.4
Fabric uppers, total (R)	107.7	12.4	270.5	5.4	2.51	102.5	256.9	+ 5.1	+ 5.3
Joggers	16.3	1.9	58.8	1.2	3.60	12.7	41.9	+ 28.6	+ 40.3
Sneakers	51.5	5.9	147.7	2.9	2.87	51.9	151.4	- 0.7	- 2.4
Other	39.8	4.6	63.9	1.3	1.60	37.9	63.6	+ 5.0	+ 6.0
Lined vinyl uppers, total (R)	10.3	1.2	98.8	2.0	9.56	8.8	79.1	+ 17.1	+ 25.0
Mens' & boys'	5.2	0.6	24.3	0.5	4.58	0.7	2.3	+ 12.5	+ 28.4
Women's & misses'	2.1	0.2	8.3	0.2	3.90	2.1	8.1	+ 0.6	+ 2.7
Children's & infants'	1.1	0.1	3.4	0.1	2.97	0.7	2.3	+ 51.1	+ 44.7
Ski boots	1.8	0.2	62.8	1.2	35.60	1.2	49.7	+ 41.8	+ 26.4
Work footwear, leather, total (N)	9.1	1.0	111.1	2.2	12.26	8.0	93.7	+ 12.6	+ 18.5
Boots & protective footwear, nonleather, total (R)	16.0	1.8	80.3	1.6	5.02	13.5	69.5	+ 18.2	+ 15.5
Other footwear, total	197.3	22.7	607.3	12.1	3.08	180.2	650.5	+ 9.4	- 6.6
Unsupported rubber or plastic, total (N)	60.4	7.0	187.5	3.7	3.10	30.1	102.6	+100.4	+ 82.8
Men's & boys'	8.1	0.9	30.3	0.6	3.75	5.3	20.2	+ 51.8	+ 49.7
Women's & misses'	46.5	5.4	143.7	2.9	3.09	21.5	73.7	+116.6	+ 94.9
Children's & infants'	5.8	0.7	13.5	0.3	2.33	3.3	8.6	+ 73.4	+ 56.8
Zories (R)	17.6	2.0	5.2	0.1	0.29	16.2	4.7	+ 8.2	+ 9.7
Fiber uppers (N)	41.5	4.8	118.7	2.4	2.86	37.5	106.2	+ 10.6	+ 11.8
Wood (N)	0.6	0.1	3.5	0.1	5.70	1.2	7.2	- 48.1	- 51.7
Other (N)	77.2	8.9	242.5	5.8	3.79	95.2	429.8	- 18.8	- 31.9

(N) Nonrubber (R) Rubber
The import value (Customs Value) is the wholesale value at the foreign port of exit. It does not include freight insurance and other charges, such as U.S. import duties, incurred in bringing the merchandise to the U.S.
* Less than 0.1%.

Source: Fairchild Market Research Division based on
U.S. Department of Commerce, Bureau of the Census data.

FOREIGN TRADE

Exports

In spite of the strong dollar which has been an impediment to U.S. exporters, the U.S. footwear industry managed to increase its exports--shipping to more than 90 countries--in 1984. In quantity, nonrubber footwear exports in 1984 rose 18.5% compared with 1983, and gained 2.9% in value, according to the Department of Commerce. Exports of footwear with rubber or plastic soles, fabric uppers, however, declined almost 7% in quantity but more than doubled in value. Rubber/plastics protective footwear registered a 9.0% drop in exports in 1984 compared with 1983, while value rose almost 23%.

The strong demand overseas for American-made athletic footwear was the main factor in export gains. Footwear Industries of America reported exports of running shoes in 1984 were up 122% in quantity; other sports shoes, up 67.4%.

Japan, which maintains import quotas on all footwear except athletic types was the biggest customer for U.S. footwear, accounting for about 31% of total exports. Canada's import quotas on footwear, imposed in 1983, continued to restrain U.S. exports in that market; and the FIA reported U.S. shipments last year were down 38%, but the FIA reported a sharp (126.8%) gain in exports of footwear in Mexico.

The FIA reported gains in exports of nonrubber footwear in the first quarter of 1985. Compared with the same 1984 period, quantity was reported to be up 51.8%; value, up 22.5%. However, rubber/plastics footwear exports were down 59% in this span.

Exports of Domestic Footwear, 1983, 1984
(Quantity in thousands of pairs; value in millions of dollars)

	Quantity		Value		% Change 1984/1983	
	1984	1983	1984	1983	Quantity	Value
Total footwear	10,302	9,004	$111.4	$101.5	+ 14.5%	+ 9.9%
Nonrubber shoes & slippers	8,886	7,496	98.5	95.7	+ 18.5	+ 2.9
Leather footwear	2,009	2,422	35.3	48.5	- 17.1	- 27.2
Plastic footwear	2,647	1,338	28.6	16.6	+ 97.8	+ 72.3
All other footwear	4,230	3,736	34.6	30.6	+ 13.2	+ 13.1
Footwear with rubber or plastic soles/fabric uppers	1,120	1,203	10.2	3.6	- 6.9	+183.3
Rubber/platic protective footwear	296	305	2.7	2.2	- 2.9	+ 22.7

Source: U.S. Bureau of the Census, Current Industrial Reports.

FOREIGN TRADE

Exports (continued)

Large quantities of cut shoe parts are shipped to South American and Caribbean countries, particularly Trinidad, the Bahamas, the Northern Antilles, the Dominican Republic, Colombia and Bermuda, where the parts are assembled at low cost and re-exported to the U.S. Duties here are then assessed on the value added. Operations requiring less labor are in many cases done in the U.S.

MARKET SUPPLY

The total U.S. supply of footwear, based on U.S. production less exports plus imports (also referred to as "apparent consumption") reached 1.2 billion pairs in 1984, up from 1.1 billion in 1983, according to the Department of Commerce. (As previously noted, imports were reported to account for 69.5% of the quantity of footwear in the U.S. market last year, and 54.4% of value).

Summary of Market Supply, 1983, 1984
(Quantity in millions of pairs)

	Domestic Production		Exports		Imports		Market Supply	
	1984	1983	1984	1983	1984	1983	1984	1983
Total footwear	383.6	432.7	10.3	9.0	849.4	696.2	1,222.8	1,119.9
Shoes & slippers	301.4	339.2	8.9	7.5	725.8	580.2	1,018.3	911.9
Leather footwear	165.2	178.1	2.0	2.4	362.4	268.7	525.6	453.4
Plastic footwear	72.0	74.6	2.6	1.3	258.2	186.5	327.5	259.7
All other footwear	64.2	77.5	4.2	3.7	105.1	125.0	165.1	198.7
Footwear with rubber or plastic soles/fabric uppers	64.5	78.0	1.1	1.2	107.7	102.7	171.1	179.5
Rubber/plastic protective footwear	17.7	15.5	0.3	0.3	16.0	13.4	33.4	28.5

Source: U.S. Bureau of the Census, Current Industrial Reports (MA31A).

Based on information by shoe classification pertaining to about 77% of the 1984 total market supply, Footwear Industries of America has compiled data showing the following market share (pairs).

Market Supply By Shoe Type, 1983, 1984

	1984	1983
Total market supply	100.0%	100.0%
Men's footwear	20.2	24.9
Women's	51.7	53.2
Juvenile	14.1	8.8
Athletic	14.0	13.1

Source: Based on FIA Quarterly Reports.

RETAIL TRADE

Consumer Expenditures

Preliminary figures on personal consumption expenditures for footwear, compiled by the U.S. Bureau of Economic Analysis, place the total value of footwear reaching the consumer through any channel in 1984 at $22,122 million. This was 8.1% above the total of $20,455 million reported in 1983. On a constant, (1972), dollar basis, eliminating inflation, footwear expenditures in 1974 were up 6.4%, compared with 1983 while overall spending for clothing and shoes registered a 9.0% gain in real terms.

Personal Consumption Expenditures For Footwear, 1981-1984
(Millions of current dollars)

	1984(p)	1983(r)	1982(r)	1981(r)
Shoes & other footwear	$22,122	$20,455	$19,350	$18,395

(p) preliminary (r) revised

Source: U.S. Bureau of Economic Analysis, Survey of Current Business, (July 1985).

According to market projections by Kurt Salmon, continued gains in consumer expenditures for footwear are expected in 1985, with personal consumption expenditures rising 7% to $23.7 billion. Women's shoes are expected to register the largest gain, with more high heel models to match the dress-up look. Advances are also expected in flat casuals.

An on-going study covering consumer expenditure patterns, on a household basis, is now being compiled by the U.S. Bureau of Labor Statistics and the Census Bureau. Data on footwear spending patterns for 1980 and 1981 have been released and projections of these findings show the following pattern in spending share, based on householder's age and on household income. (A householder is the person who owns or rents the home).

Percent of Total Spending For Footwear, 1980-81 Average

	Percent
Total	100.0
By age of householder:	
Under 25 years	7.7
25 - 34 years	25.1
35 - 44 years	26.1
45 - 54 years	18.3
55 - 64 years	14.0
65 & over	8.8
By household income before taxes	
$30,000 & over	37.0
$20,000 - $29,999	24.8
$15,000 - $19,999	12.0
$10,000 - $14,999	10.4
Under $10,000	15.8

Source: Fairchild Market Research Division, based on U.S. Bureau of Labor Statistics Consumer Expenditure Survey: 1980-81 Interview (USDL News Release 84-514), December 1984.

Consumer Expenditures (continued)

Patterns in consumer spending for footwear are traced on a continuing basis by Footwear Market Index (FMI), an independent research organization which tracks consumer spending for all types of footwear through reports derived from a panel of 40,000 families (increased to 50,000 in 1985) in each of three four-month reporting periods during the year.

Projected data based on panel information shows the following distribution in spending by classification in 1984.

Consumer Expenditures For Foowtwear By Classification, 1984

	Quantity	$ Expenditures
Total footwear	100.0	100.0
Women's	54.9	52.1
Men's	26.2	35.9
Juvenile	18.9	12.0
Boys'	7.2	4.6
Girls'	6.6	3.9
Infants'	5.1	2.8

Source: Footwear Market Index (FMI), Kormos, Harris & Assoc., Nashville, TN.

Size of the Consumer Market

Population Projections - 1984, 1994, 2005
(Middle Series*)

	Number (Thousands)			% Change	Percent Distribution		
	1984	1994	2005	2005/1984	1984	1994	2005
MALE							
Total, all ages	115,073	125,464	134,297	+ 16.7%	100.0%	100.0%	100.0%
Under 5 years	9,329	9,635	8,931	- 4.3	8.1	7.7	6.6
5 to 9 years	8,296	9,866	9,094	+ 9.6	7.2	7.9	6.8
10 to 15 years	10,708	11,245	11,698	+ 9.2	9.3	9.0	8.7
16 years & over	86,742	94,718	104,574	+ 20.5	75.4	75.4	77.9
16 - 19	7,653	6,712	8,058	+ 5.3	6.6	5.3	6.0
20 - 34	31,522	29,725	27,416	- 13.0	27.4	23.7	20.4
35 - 54	25,975	35,187	40,769	+ 56.9	22.6	28.0	30.4
55 - 64	10,375	9,793	14,060	+ 35.5	9.0	7.8	10.5
65 & over	11,217	13,300	14,271	+ 27.2	9.7	10.6	10.6
Median age (years)	29.9	33.0	36.0	+ 20.4	--	--	--

(continued)

Size of the Consumer Market (continued)

Population Projections - 1984, 1994, 2005
(Middle Series*)
(continued)

	Number (Thousands)			% Change	Percent Distribution		
	1984	1994	2005	2005/1984	1984	1994	2005
FEMALE							
Total, all ages	121,343	132,251	141,381	+ 16.5%	100.0%	100.0%	100.0%
Under 5 years	8,904	9,188	8,518	- 4.3	7.3	6.9	6.0
5 to 9 years	7,924	9,415	8,678	+ 9.5	6.5	7.1	6.1
10 to 15 years	10,236	10,745	11,167	+ 9.1	8.4	8.1	7.0
16 years & over	94,279	102,903	113,018	+ 19.9	77.7	77.9	80.0
16 - 19	7,357	6,426	7,707	+ 4.8	6.1	4.9	5.5
20 - 34	31,205	29,068	26,706	- 14.4	25.7	22.0	18.9
35 - 54	27,115	36,202	41,249	+ 52.1	22.3	27.4	29.2
55 - 64	11,834	11.002	15,399	+ 30.1	9.8	8.3	10.9
65 & over	16,768	20,205	21,957	+ 30.9	13.8	15.3	15.5
Median age (years)	32.4	35.6	39.2	+ 21.0	--	--	--
TOTAL, MALE & FEMALE							
Total, all ages	236,416	257,714	275,677	+ 16.6%	100.0%	100.0%	100.0%
Under 5 years	18,232	18,823	17,449	- 4.3	7.7	7.3	6.3
5 to 9 years	16,219	19,281	17,772	+ 9.6	6.9	7.5	6.5
10 to 15 years	20,944	21,991	22,865	+ 9.2	8.9	8.5	8.3
16 years & over	181,021	197,619	217,591	+ 20.2	76.5	76.7	78.9
16 - 19	15,009	13,138	15,765	+ 5.0	6.3	5.1	5.7
20 - 34	62,726	58,792	54,122	- 13.7	26.5	22.8	19.6
35 - 54	53,090	71,389	82,018	+ 54.5	22.4	27.7	29.7
55 - 64	22,210	20,793	29,459	+ 32.6	9.4	8.1	10.7
65 & over	27,986	33,507	36,227	+ 29.4	11.8	13.0	13.1
Median age (years)	31.1	34.3	37.6	+ 20.9	--	--	--

* Middle of a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels. Includes Armed Forces overseas.

Source: U.S. Bureau of the Census,
Current Population Reports,
Series P-25, No. 952 (May 1984).

RETAIL TRADE

Consumer Prices

In a six-month period ending July 1985, the consumer price index covering all urban consumers (U.S. city average) for footwear was up 2.9% on a seasonally adjusted annual rate compared with the same period a year earlier. For the year 1984, the index registered a gain of 1.3%. (Latest available detailed indexes are for the month of June 1985, as noted below).

Footwear Consumer Price Index
(All Urban Consumers)

	Base Period	June* 1985	May 1985*	Annual Average 1984	1983	1982	% Change 1984/83
Footwear	1967=100	213.9	213.2	209.5	206.9	205.5	+ 1.3%
Men's	Dec. 1977=100	139.8	139.8	136.7	133.6	132.0	+ 2.3
Women's	Dec. 1977=100	127.7	128.1	125.9	125.6	125.5	+ 0.2
Boys', girls'	Dec. 1977=100	136.8	134.6	132.9	130.9	130.0	+ 1.5

* Unadjusted indexes.

Source: U.S. Department of Labor,
Bureau of Labor Statistics.

Leading Markets

Sales & Marketing Management Magazine compiles data annually on retail sales of major merchandising classifications by metropolitan markets. Following is information reported on the top 10 markets covering footwear sales in 1983.

Footwear Sales in Leading Metropolitan Markets, 1983

Rank		Thousands ($)
1	New York, New York	$ 729,756
2	Los Angeles-Long Beach, California	652,529
3	Boston-Lawrence-Salem-Lowell-Brockton	607,548
4	Chicago, Illinois	588,133
5	Detroit, Michigan	336,437
6	Houston, Texas	334,015
7	Philadelphia, Pennsylvania	327,508
8	Washington, DC	309,515
9	Dallas, Texas	250,134
10	Nassau-Suffolk, New York	226,584
	Sub-total	4,362,159
	Percent of U.S.	25.6%
	U.S. total	$17,026,397

Source: Sales & Marketing Management
Part II, Annual Survey of Buying Power
(October 29, 1984).

RETAIL TRADE

Retail Sales By Type of Outlet

Official figures on share of footwear retail sales (dollar volume), by type of outlet will be released by the U.S. Department of Commerce, Census Bureau, later this year in reports covering merchandise line sales based on the 1982 census of retail trade.

In terms of reported purchases of footwear (pairs), Footwear Market Index (FMI) data shows the following shares of the total by specified types of retail outlets in 1984.

Percent of Total Market By Shoe Type & Store Type, 1984

	Total	Men's	Women's	Boys'	Girls'	Infants'
Total market (pairs)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Retail outlet type:						
Shoe stores	38.7	36.1	38.9	31.5	42.1	46.7
Discount stores, incl. K mart	17.0	16.4	13.6	26.9	25.0	27.0
Department stores	12.6	9.4	15.7	7.3	9.1	6.6
National catalog chains	12.4	13.1	11.4	18.3	12.1	9.6
Sporting goods stores, pro shops	3.4	7.1	2.0	3.9	1.5	0.2
Factory outlet	3.3	3.9	3.5	2.0	1.8	0.7
Apparel specialty stores	2.7	3.0	2.7	1.5	1.6	2.4
Mail order	2.1	3.3	2.1	0.1	0.2	--
Other retail outlets	7.8	7.7	10.1	8.5	6.6	6.8

Source: Kormos, Harris & Associates, Footwear Market Index.

The best performance in 1984-1985 in shoe retailing has been among the shoe chains--but specifically among off-price and one-price footwear retailers who are continuing to penetrate the market, although the rate of gains made by off-price operations has slowed down from the heady pace of 1984. Operators of these stores indicate continued plans to expand while the plans of traditional footwear chains to open stores show a slow-down.

Recognizing that the best opportunity for growth lies in the retailing arena rather than in domestic footwear manufacturing operations, shoe firms continue to diversify and expand their retailing operations into shoe specialty and/or apparel specialty stores, as well as leased departments.

The Brown Shoe Group increased its specialty stores from 1,768 in fiscal 1983 to 1,902 in 1984; the number of Famous Footwear stores, Brown's chain of branded discount stores, was increased from 121 to 190. In fiscal 1984, Genesco operated 744 stores in the U.S., which accounted for 44% of Genesco's total volume (up from 34% in 1980), and 60% of Genesco's total footwear business including manufacturing.

RETAIL TRADE

Retail Sales By Type of Outlet

Volume Shoe Corp., Topeka, Kansas owned by May Department Stores Co., St. Louis, MO , with a total of over 1,600 stores under the Payless Shoe Source, Volume Shoe Corp., and Trade Style names, plans to add over 1,000 more stores nationwide by 1988. U.S. Shoe Corp., Cincinnati, and Morse Shoe have also announced plans to open more stores in the next few years. Melville's Thom McAn Division--which had 1,126 stores nationwide in 1984--plans to add 10 more in 1985, 20 each year thereafter until 1988, according to trade reports. In their Open Country outdoor footwear division (92 stores in 1984), 10 will be opened in 1985 and 15 each year until 1988. Edison has announced plans to expand in the Bakers/Leeds Shoe store Division (710 stores), Barts Shoe Store Division (89) and Chandler's (121).

Under pressure from the blanketing of the best retail trading areas by the chains and by price competition from the off-price retailers, independent shoe retailers had a difficult year in 1984, and had a lot of excess inventory to work off. The National Shoe Retailer Association (NSRA) 1984 Shoe Store Operations report showed a drop in gross margins. Pressure was expected to continue in 1985 to try to maintain inventory turnover.

Department stores are fighting competition from discount chains that are selling name brands at sharply reduced prices by putting much greater emphasis on their own private labels. It is reported that many department stores plan to continue to increase private label importing as the best means to fight discounters as well as to enhance store image and obtain higher profit margins. Besides direct importing, many retailers use importers who have established relationships with strong factories, thus helping to ensure quality control.

Minimum pairage requirements on private label imports are a major problem for smaller retailers. However, some retailers are getting around this problem by banding together to form group buys.

Sales and Operating Profits of Leading Footwear Retailers
(In millions of dollars)

	Footwear Sales			Footwear Operating Profit		
	1984	1983	% Change 1984/1983	1984	1983	% Change 1984/1983
RETAILERS						
Melville Corp.	$1,423.3	$1,338.8	+ 6.3%	$153.1	$127.9	+ 19.7%
Woolworth Co. (Kinney)	1,419.0	1,264.0	+12.3	155.0	121.0	+ 28.1
Brown Group	1,127.5	1,055.3	+ 6.8	89.9	107.1	- 16.1
Morse Shoe	526.5	523.0	+ 0.7	24.7	42.9	- 42.4
Edison Bros. Stores	513.8	539.7	- 4.8	25.0	69.1	- 63.8
TOTAL	5,010.1	4,720.8	+ 6.1	447.7	468.0	- 4.3

Source: Annual Financial Statements.

RETAIL TRADE

Retail Sales by Type of Outlet: Shoe Stores

For the year 1984, shoe stores of all types hit a total sales volume of over $10 billion for the first time, gaining 5.6% compared with the 1983 total. This compares with a 7.1% gain registered in 1983 over 1982. The chains did better than the overall average, registering a sales gain of 7.1% in 1984, and 9.8% in 1983 compared with the previous year.

In the first six months of 1985, however, on a seasonally adjusted basis, shoe stores in chains of eleven or more stores registered a gain of only 4.7% compared with an overall gain in shoe store sales of 6.8% over the first six months of 1984.

Shoe Store Sales, 1983, 1984, First Six Months of 1985
(Millions of dollars)

	1984	1983	1st 6 Mos. 1985/1984	Percent Change 1984/1983	Percent Change 1983/1982
Shoe stores, total	$10,339	$9,797	+ 6.8%	+ 5.6%	+ 7.1%
In chains of 11 or more stores	5,099	4,761	+ 4.7	+ 7.1	+ 9.8

Source: U.S. Bureau of the Census.

A detailed profile of shoe stores is obtained through the reports on the 1982 census of retail trade conducted by the U.S. Census Bureau.

According to this report, the eight largest firms in shoe retailing owned over a third of the nation's shoe stores (34.6%), and these accounted for almost 38% of total shoe store sales in 1982.

Sales Concentration Among Largest Shoe Store Firms, 1982

	Stores		Sales	
	Number	%	Mil. $	%
Firms with payroll, total	36,277	100.0%	$11,275.4	100.0%
4 largest firms	8,462	23.3	3,079.1	27.3
8 largest firms	12,557	34.6	4,244.2	37.6
20 largest firms	17,515	48.3	5,661.1	50.2
50 largest firms	19,271	53.1	6,345.0	56.3

Retail Sales By Type of Outlet: Shoe Stores (continued)

Shoe Store Firms, Stores & Sales, 1982

	Firms		Stores*		Sales*	
	Number	%	Number	%	Numoer	%
Total	12,449	100.0%	36,277	100.0%	$11,134.7	100.0%
Single unit organizations	10,551	84.8	10,551	29.1	2,591.3	23.3
Multi-unit organizations	1,898	15.2	25,726	70.9	8,543.4	76.7
No. of stores:						
Under 10	1,754	14.1	4,565	12.6	1,723.2	15.5
10 - 24	79	0.6	1,175	3.2	448.3	4.0
25 - 49	28	0.2	887	2.4	320.8	2.9
50 - 99	12	0.1	818	2.3	227.2	2.0
100 or more	25	0.2	18,281	50.4	5,823.8	52.3
Firms operated entire year	11,744	100.0	35,512	100.0	11,046.6	100.0
Annual sales of firms:						
$10 mil. or more	61	0.5	19,538	55.0	6,467.8	58.5
5 mil. - $9.9 mil.	73	0.6	1,021	2.9	499.7	4.5
2.5 mil. - $4.9 mil.	141	1.2	1,072	3.0	504.7	4.6
1.0 mil. - $2.49 mil.	595	5.1	1,677	4.7	902.2	8.2
Under $1 mil.	10,874	92.6	12,204	34.4	2,672.2	24.2
Stores By Type & Sales Size of Stores						
Family shoe stores, total	8,140		23,298		7,313.6	
Operated entire year			21,860	100.0	6,872.8	100.0
Store sales:						
$ 5.0 mil. - $25.0 mil.			10	0.2	70.3	1.0
2.5 mil. - 4.9 mil.			31		101.9	1.5
1.0 mil. - 2.49 mil.			498	2.3	684.4	10.0
0.5 mil. - 0.99 mil.			2,714	12.4	1,807.0	26.3
Under $0.5 mil.			18,607	85.1	4,209.2	61.2
Women's shoe stores, total	2,980		7,832		2,633.1	
Operated entire year			7,347	100.0	2,489.7	100.0
Store sales:						
$ 2.5 mil. - $ 9.9 mil.			27	0.4	107.1	4.3
1.0 mil. - 2.49 mil.			268	3.6	362.8	14.6
0.5 mil. - 0.99 mil.			947	12.9	634.5	25.5
0.25 mil. - 0.49 mil.			2,460	33.5	852.3	34.2
Under $0.25 mil.			3,645	49.6	533.0	21.4
Stores By Types & Sales Size of Stores						
Men's shoe stores, total	1,099		4,153		1,110.7	
Operated entire year			3,925	100.0	1,050.4	100.0
Store sales:						
$ 2.5 mil. - $10.0 mil.			10	0.2	47.7	4.5
1.0 mil. - 2.49 mil.			73	1.9	106.1	10.1
0.5 mil. - 0.99 mil.			309	7.9	201.8	19.2
0.25 mil. - 0.49 mil.			1,037	26.4	348.9	33.2
Under $250,000			2,496	63.6	345.9	32.9
Juvenile shoe stores, total	589		994		218.0	
Operated entire year			948	100.0	209.9	100.0
Store sales:						
$ 0.5 mil. - $2.5 mil.			44	4.6	30.0	14.3
Under $500,000			904	95.4	179.9	85.7

* Leased department operations are included in these figures as separate shoe stores.

Source: U.S. Bureau of the Census,
Census of Retail Trade (RC82-I-1).

Retail Sales By Type of Outlet: Shoe Stores (continued)

Seasonal Pattern in Shoe Store Sales, 1982-1984
(Percent of Year's Sales By Months)

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1984	7.0%	6.5%	7.9%	9.0%	8.3%	8.2%	7.1%	8.8%	8.7%	8.3%	8.8%	11.5%	100.0%
1983	6.5	6.0	8.3	8.4	8.1	7.9	7.3	8.8	8.7	8.8	9.1	12.0	100.0
1982	7.3	6.6	8.2	9.0	8.2	7.5	7.5	8.6	8.5	8.5	8.6	11.3	100.0

Dates of Easter: 1984: April 22; 1983: April 3; 1982: April 11.

Source: Based on U.S. Bureau of the Census,
Monthly Retail Trade Reports.

A preliminary 1982 census of retail report issued by the Census Bureau showed the following information on the contribution of types of footwear and other merchandise to total shoe store sales that year.

Sales of Major Lines as Percent of Total Shoe Store Sales, 1982
(Leased departments are included as if they were separate stores)

	Percent
Total shoe store sales & other receipts	100.0%
Footwear, except infants' and toddlers'	97.1
Women's and girls'	49.6
Men's and boys'	33.0
Children's	11.2
Footwear accessories	3.3
All other receipts	2.9

Source: U.S. Bureau of the Census,
1982 Census of Retail Trade, (RC82-1-18(P).

Retail Sales By Type of Outlet: Department Stores

According to the 1982 Census of Retail Trade (U.S. Census Bureau), a total of 10,035 department stores were in operation nationwide, compared with 8,807 counted in the 1977 census. Footwear, not including infants' and toddlers' (and excluding leased department sales), accounted for 2.6% of total department store business in 1982, according to a preliminary report. This amounted to about $2.6 billion in footwear sales.

Retail Sales By Type of Outlet: Department Stores (continued)

In the typical department store which had a total volume over $1 million, footwear departments (upstairs stores) contributed 4.7% of total store sales in 1982, according to the National Retail Merchants Association. Among stores reporting on women's and misses' shoe departments (upstairs), this department accounted for a median 3.1% of total store sales. Men's footwear accounted for a median 0.8%; juniors' and teens', 1.1%; children's, 0.3%. (Percents do not add to 4.7% as not all stores reported on each of the four footwear types. Medians are separately calculated for each shoe type.)

Compared with 1982, footwear sales in the typical department store gained 9.2%. Women's dress and casual shoes had a median increase of 9.1% among reporting stores; men's, up 10.3%.

Department Store Footwear Departments: Selected Operating Ratios, 1983
(Stores With A Total Volume Over $1 Million)
(Median Results--Upstairs Departments)

	Total	Women's & Misses'	Juniors' & Teens'	Men's	Children's
	All Shoes	Dress/Casual Shoes	Shoes	Footwear	Footwear
(Number reporting)	40	32	28	35	26
Cumulative markon, %	51.1%	52.1%	51.9%	47.9%	48.2%
Markdowns, % of net sales	20.3	22.6	20.2	14.5	23.6
Gross margin, % of net sales	43.8	44.2	44.9	42.8	40.6
Net sales, % chg. 1983/82	9.2	9.1	23.9	10.3	- 6.7
Net sales, % of total store	4.7	3.2	1.1	0.8	0.3
Returns, % of gross sales	12.1	12.8	13.2	10.5	nr
$ sales per sq. ft. of selling space	$189.9	$275.2	$414.8	$146.9	$55.9
Stock turns (times)	2.2	2.2	2.7	161.6	1.3

nr = not reported.

Source: National Retail Merchants Association, Merchandising & Operating Results, (1984 Edition).

Retail Sales By Type of Outlet: Apparel Specialty Stores

A preliminary report on the 1982 census of retail trade (subject to revision), available from the Census Bureau, included the following information on footwear business in specialty stores. (In these reports, leased departments are classified as if they were separate establishments.)

Retail Sales By Type of Outlet: Apparel Specialty Stores (continued)

Specialty Stores With Paid Employees, 1982

		Footwear, Except Infants' & Childrens'	
	No. of Stores	% to Total Store Sales	Estimated Sales (Mil. $)
Family clothing stores	17,899	6.7%	$ 902.6
Women's ready-to-wear stores	44,084	1.3	264.0
Men's/boys' wear stores	17,426	3.8	292.1

Source: U.S. Bureau of the Census,
Census of Retail Trade, RC82-1(P).

Women's/Family Specialty Store Operating Results

The typical women's wear and family apparel store with volumes of $1 million or more registered a gain of 7.0% in footwear department business in 1983 compared with 1982, according to the National Retail Merchants Association.

In men's wear stores, according to the Menswear Retailers of America, footwear sales registered a typical increase of 1.7% in stores handling men's/boys' wear only, and a decline of 2.0% in stores that also carry women's wear.

Women's Specialty Stores & Family Clothing Stores: Selected Operating Results For Footwear Departments, 1983
(Total Store Volume Over $1 Million)
(Median Results)

Footwear departments (9*)	
Cumulative markon, %	50.6
Net sales, % of change from 1982	+ 7.0
Net sales, % of total share	7.2
Markdowns, % of net sales	18.6
Gross margin, % of net sales	42.8
Stock turns (times)	2.4

* The number of reporting companies.

Source: National Retail Merchants Association,
Merchandising & Operating Results, (1984 Edition).

Retail Sales By Type of Outlet: Apparel Specialty Stores (continued)

Men's Wear Stores: Selected Operating Ratios for Men's & Boys' Shoe Departments, 1984
(Median results)

	% of Total Store Sales		% Change in Sales 1984/1983		Markdowns % of Men's Shoe Sales		Stock Turns Per Year (times)	
Men's & boys' shoes:								
In men's wear stores handling men's wear only	4.7%	(36)	+ 0.4%	(28)	16.1%	(27)	1.2	(19)
In men's wear stores which also sell women's wear	4.0	(51)	+ 3.8	(38)	13.0	(36)	1.3	(25)

Note: Figures in parentheses cover the number of reporting firms in each ratio.

Source: Menswear Retailers of America, Annual Business Survey, June 1985.

ATHLETIC FOOTWEAR MARKET

The total athletic footwear market, including rugged and walking shoes, as well as other types of active sports footwear, is estimated to have reached a retail value of $4.2 billion, with 207 million pairs in 1984, according to the Sporting Goods Manufacturers Association. (SGMA)

The trend toward high performance shoes for special athletic end-uses has been on the wane, while consumer interest focuses to a greater extent on more casual, leisure styles. Consumers have also diversified their activities. The 10-year running boom that brought the number of active runners from about 5 million to approximately 40 million has been flattening. At the same time, the market comprised of people who wore running shoes for casual use has declined since 1983, as customers turned to more traditional leather footwear and court or aerobic footwear. Changes in the market have also occurred because consumers have become much more diversified in their fitness activities--taking up aerobics, bicycling, racquetball, etc.--each requiring a different type of footwear.

The biggest growth segments, according to a study by the SGMA, are expected to be in basketball, followed by aerobics and tennis. Jogging, which once led the industry, was at the end of the list in expected rate of growth, behind baseball, multi-studded turf shoes and racquetball shoes as a growth area.

A glut in low-end shoes, too many models, as well as too many discount retailers and low margins were seen as major problems facing the athletic footwear industry at the retail level.

Based on a series of purchase tracking among 40,000 U.S. households in three four-month periods in 1984, Footwear Market Index, and Kormos, Harris & Associates, Nashville, TN, has made the following projections on the total market for athletic/tennis footwear.

Purchases of Adult Athletic/Tennis Footwear, 1984
(Percent of pairs)

Total purchases	100.0%
Athletic/jogging footwear	41.7
Men's	22.6
Women's	19.1
Tennis/sneakers	58.3
Men's	28.4
Women's	29.9

Purchases of All Athletic/Tennis Footwear By Classification, 1982-1984
(Percent of pairs)

	1984	1983	1982
Athletic/tennis footwear, total	100.0	100.0	100.0
Men's	36.1	35.1	35.6
Boys'	18.6	18.2	20.0
Women's	35.1	36.2	33.9
Girls'	10.2	10.4	10.4

Source: Footwear Market Index.

American Sport Data, Inc., White Plains, N.Y., conducted a purchase tracking study on the athletic market among 10,000 adults and children which indicated purchases of running shoes totaling more than 75 million pairs in 1984. Sneakers were next in importance, estimated at 50 million pairs, tennis with 29 million pairs, and basketball with 16 million pairs. Total purchases of hiking boots were projected at 7.4 million pairs, and aerobic shoes at 4.2 million pairs.

Consumer interviews showed that 11.6% of adults aged 18 and up have tennis shoes and 15% have running shoes. But among college graduated, 22.2% had tennis shoes, 28.2% running shoes.

Source: Footwear News, July 15, 1985.

Women have become an increasingly important factor in the athletic/sneaker footwear market--particularly because of the demand for aerobic shoes. The National Sporting Goods Association estimates the total value of sales of aerobic footwear reached $53.9 million (1.9 million pairs) in 1984, and women accounted for 92% of this market.

Women account for a higher proportion of the people who buy athletic footwear primarily for comfort, fashion and to have the "active look." They generally look for shoes that will serve more than one purpose and are reported by retailers to be generally more price-conscious, than men are in buying athletic footwear.

ATHLETIC FOOTWEAR MARKET

Women are reported by the NSGA (1984) to account for 40.3% of tennis shoe purchases, 36.4% of jogging/running shoes; 36% of gym shoes/sneakers.

According to the Footwear Market Index (FMI) in 1984, athletic footwear of all types represented 16.6% of total footwear purchases in women's sizes (pairs) but only 4.7% of all footwear was purchased for active sports' participation. In men's sizes, athletic footwear represented 36% of total purchases in 1984; active sports participation was the primary intended use for 9.7% of all men's footwear bought last year.

(Additional information on the athletic footwear market is covered in the sections on PRODUCT SHIPMENTS).

BUYING HABITS

As previously noted, footwear purchases are monitored on a regular basis, covering three four-month periods throughout the year by Footwear Market Index (FMI), conducted by Kormos, Harris & Associates, Nashville, TN. Purchase records for each period, covering footwear for men, women, girls, boys and infants, are obtained through mailings to three demographically balanced nationwide panels of 40,000 households in each period (increased to 50,000 in 1985).

Following are findings on shoe types purchased, place of purchase, etc., based on purchases tracked in 1984.

FMI Profile of Purchases of Men's Footwear, 1984

Total projected pairs purchased	100.0%
Percent distribution	
Styles:	
Dress	30.9
Casual	13.7
Work/Duty	10.4
Athletic (jogging shoes, etc.)/tennis/sneakers	37.1
Western/casual boots	3.2
Other	4.7
Sale vs. regular price:	
Sale price	51.3%
Regular price	48.7
Average price paid (regular & sale)	$ 36.21
Percent of reported purchases by region:	
Northeast	21.9
North Central	24.7
South	33.9
West	19.5

(continued)

FMI Profile of Purchases of Men's Footwear, 1984
(continued)

Total projected pairs purchased	
Percent of purchases by outlet type:	
Catalog chain	13.2%
Department store	9.4
Discount store	16.6
Shoe store	36.4
Sporting goods store/pro shop	7.2
Mail order	3.4
Apparel specialty store	3.1
Factory outlet	4.0
Other	6.7

FMI Profile of Purchases of Women's Footwear, 1984

Total projected pairs purchased	100.0%
Percent distribution	
Styles:	
Pumps	23.1
Other dress shoes	6.4
Sandals (dress & casual)	22.7
Casual/boot/jean	5.2
Loafer/penny mock	6.3
Other casual shoes	9.9
Athletic/tennis	17.2
Work/duty	2.4
Western/casual boot	1.2
Fashion boot	1.8
Other footwear	3.8
Sale vs. regular price:	
Sale price	53.6
Regular price	46.4
Average price paid (regular & sale)	$ 24.86
Percent of reported purchased by region:	
Northeast	22.7%
North Central	24.6
South	34.8
West	13.1
Percent of purchases by outlet type:	
Catalog chain	11.5%
Department store	15.8
Discount store	13.9
Shoe store	39.3
Sporting goods store/pro shop	2.0
Mail order	2.1
Apparel specialty store	2.8
Factory outlet	3.5
Other	9.1

BUYING HABITS

FMI Profile of Footwear Purchases for Boys' Girls' and Infants, 1984

	Boys' Footwear*	Girls' Footwear*	Infants' Footwear*
Projected total pairs purchased	100.0%	100.0%	100.0%
Percent distribution			
Styles:			
Dress , incl. pumps	13.5	18.5	--
Casual & dress sandals	8.4	13.8	--
Work	2.1	0.2	--
Athletic/tennis	69.7	41.7	--
Boots	1.9	1.6	--
Other	4.4	24.2	--
Sale vs. regular price:			
Sale price	50.3%	47.6%	34.5%
Regular price	49.7	52.4	65.5
Average price paid (regular & sale)	$ 16.95	$ 15.44	$ 13.78
Percent of purchases by outlet type:			
Catalog chain	18.6%	12.1%	9.7%
Department store	7.3	9.1	6.5
Apparel Specialty Store	1.5	1.6	2.4
Discount store	27.1	25.0	26.9
Shoe store	34.7	42.1	46.9
Sporting goods/pro shop	3.9	1.6	0.5
Factory outlet	2.0	1.8	0.7
Other	4.9	6.7	6.4

Source: Kormos, Harris', Associates, Nashville, TN, (Footwear Market Index).

Shoe Sizes (Adult)

Distribution of Shoe Purchases By Shoe Size (Men's & Women's
(Percent of Total Footwear Purchases Tracked in 1982)

	Percent
Men's footwear, total	100.0%
Shoe size:	
Under 7	3.8
7 - 7 1/2	6.8
8	6.6
8 1/2	9.6
9	12.7
9 1/2	13.2
10	12.8
10 1/2	12.9
11 - 11 1/2	11.5
12	7.5
Over 12	3.6

Shoe Sizes (Adult) (continued)

Distribution of Shoe Purchases By Shoe Size (Men's & Women's
(Percent of Total Footwear Purchases Tracked in 1982)
(continued)

	Percent
Women's footwear, total	100.0%
Shoe size:	
Under 5	1.1
5 - 5 1/2	6.3
6	8.5
6 1/2	8.0
7	15.5
7 1/2	13.1
8	17.2
8 1/2	9.9
9 - 9 1/2	12.8
10	6.1
Over 10	1.5

Source: Kormos, Harris' & Associates, Nashville, TN (Footwear Market Index).

Teenage Girls

Every two years, Seventeen magazine conducts a survey among a cross-section of teenagers who are members of their Consumer Panels on fall/winter wardrobes--particularly purchases for going back to school.

The most recent survey was conducted in September 1984. Findings represented a nationwide total of 8,543,000 female teenage students. Projected spending for footwear totaled $985,029,000. 93.5% of the girls had purchased shoes, and 32.7% had purchased boots for back-to-school wear.

Back-To-School Footwear Purchases by Teenage Girls

	No. of Pairs	Expenditures
Projected total (thousands)	32,686	$ 985,029
Percent	100.0%	100.0%
Types of footwear purchased:		
Casuals	31.6	30.3
Dress	21.0	22.2
Sandals/thongs	4.5	2.7
Clogs	0.3	0.3
Jogging shoes	9.5	9.3
Tennis shoes	10.9	9.9
Formal evening	1.9	2.4
Moccasin-type shoes	6.2	5.0
Slippers	1.9	0.7
Boots	11.6	16.6
Other	0.6	3.3

Source: Seventeen's Back-To-School Study, 1985.

FAIRCHILD FACT FILES CURRENTLY AVAILABLE

COATS, SUITS, RAINWEAR, AND FURS (WOMEN'S, MISSES' AND JUNIORS'): Details number of manufacturers by employment size, cuttings, and value of shipments. Also covered at the industry level are price trends and imports/exports. At the retailer level, data is prewented on estimates of retail volume, merchandising and operating results, and seasonal patterns in advertising. Also focuses on consumer buying habits and plans (August)

CONSUMER MARKET DEVELOPMENTS: Provides a detailed view of consumers in the U.S., including population by age, personal income, the labor force, employment and earnings, households and living arrangements. Also covers trends in consumer prices, in personal consumption expenditures by product classification and in retail sales by store types, and the outlook for consumer markets based on current economic trends. (1984 Edition available now--1985 Edition will be available in February, 1986)

DEPARTMENT STORE SALES: (Including selected major apparel specialty store sales) Covers sales of department stores, and the number of stores operated, listed by geographic region and state based on buying headquarter location. Also lists branch store sales, where available. Sales information on major general merchandise/apparel retail chains, which are listed alphabetically, and a list of department stores with sales of $50 million or more, are included. (1984 Edition available now--1985 Edition will be available in January, 1986)

DRESSES (WOMEN'S, MISSES' AND JUNIORS'): Statistics on the dress industry, including trends in the number of manufacturers, and in production and shipments. Also data on fabric types and manufacturers' price lines and shipments by region of the country. Includes estimates on retail sales and data on the consumer market in terms of important demographic data.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Information on a wide range of fashion accessories for men and women, including jewelry, watches, gloves, belts, handbags, small leather goods, luggage, neckwear, hats. Includes key information at manufacturer level, as well as available retailer and consumer data. Also covers important fashion developments.

HOME TEXTILES: Information on the industry includes the latest data on number of manufacturers, production and shipments for a wide range of products, including bed linens, towels, blankets and comforters, slip covers, pillows, curtains and draperies. Trends in merchandising, departmental operations and consumer patterns are also covered.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet and on patterns in consumer spending in terms of major demographic characteristics.

HOUSEHOLD FURNITURE AND BEDDING: Contains U.S. industry-wide data on quantity and value of manufacturers' shipments of furniture and bedding (mattresses and dual-purpose sleep furniture). Also covers information on the geographic location and size of manufacturers. Retail information includes sales by store type, trends in furniture styles and materials and market demographics. Features results of a consumer survey on furniture and bedding buying habits.

INFANTS', TODDLERS', GIRLS' AND BOYS' WEAR: Manufacturer data spotlights production, value of shipments, number of manufacturers, employment in the industry by company size, price trends. At the retailer level, data focuses on sales share by type of outlet and on operating ratios in department and specialty stores. Also covers data on purchases of children's wear by price line and season.

INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR (WOMEN'S, MISSES' & JUNIORS'): Data on production and shipments, tracing market shifts in response to fashion changes. Imports are covered, retail trends and merchandising ratios, and data on consumer purchases by price point, store type and month.

MAJOR APPLIANCES AND ELECTRICAL HOUSEWARES: Covers a wide range of products in the major appliance and traffic appliance classifications, including heating, laundry and cooking appliances for household use, cleaning equipment, and personal care appliances. Details production and shipments, sales trends, retail merchandising results, more. (Includes a new consumer buying intention survey) (October)

MEN'S FURNISHINGS AND WORK WEAR: Includes information on number of manufacturers, production and shipment figures on shirts, underwear, nightwear, neckwear, hats, etc., size of firms, imports and exports. Also provides data at the retail level, including sales and merchandising trends, operating ratios, and sales share by type of outlet.

MEN'S SPORTSWEAR, CASUAL WEAR AND JEANS: The wide variety of men's wear items included in this broad category are covered from available information on the industry at the manufacturer, retailer and consumer level. Included is information on production and shipments, imports, exports, market trends, retail sales and consumer buying practices. Trendy data, such as developments in Western wear, designer labels, fashion jeans and active wear, are included.

MEN'S TAILORED CLOTHING/SEPARATES AND RAINWEAR: (Including Tailored Casual Wear) Manufacturer level profiled by production value of shipments, employment, size of firms. Imports from key foreign sources by unit and dollar value are covered. Data is also presented on retail sales, merchandising and consumer buying habits. (November)

PERSONAL ELECTRONICS: A statistical summary of the market for electronic equipment designed for individuals. Product categories include televisions, radios, stereos, personal stereos, home computers, videosystems and videogames. Data is presented on both the manufacturer and the retailer level. Also includes a section on consumer buying habits.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing.

THE SPORTS/FITNESS/LEISURE MARKETS: Covers developments in the fast-growing markets for sports facilities and equipment, for footwear and apparel designed not only for serious sports participants but those who like the "look" for leisure wear, and for products involved in life styles related to interest in sports and physical fitness.

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits. Also included is information on departmental merchandising and operating results, as well as important developments in retailing, such as the designer's label.

A STATISTICAL ANALYSIS OF RETAILING: A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued this year by the U.S. Census Bureau. Includes information on the number of outlets by store type, sales, market shares by type of major merchandise classification, sales concentration by size of retail organization, geographical changes, etc. Comparisons are made with findings in the last previous census, covering operations in 1977. (December)

THE TEXTILE/APPAREL INDUSTRIES: Industry overview, providing statistics on fibers and fabrics as well as finished goods. Includes information on industry size, U.S. mills, as well as exports and imports. Covers capital expenditures and data on mill machinery. (August)

TOILETRIES, COSMETICS, FRAGRANCES AND BEAUTY AIDS: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry-wide statistics and projections, as well as data on leading manufacturers in various product categories. Consumer expenditures, buying habits and usage of various product types are highlighted, as well as data on sales by outlet type and advertising expenditures by major producers.

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